

LEEDS CITY REGION ENTERPRISE PARTNERSHIP BOARD

MEETING TO BE HELD AT 12.00 PM ON THURSDAY, 20 SEPTEMBER
2018 IN COMMITTEE ROOM A, WELLINGTON HOUSE, 40-50
WELLINGTON STREET, LEEDS

A G E N D A

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

In accordance with the requirements of the LEP Board Members' Code of Conduct, members have an obligation to review their register of interests before each meeting and to declare any interests.

If an interest has not been entered onto the LEP's register, then members must disclose the interest at any meeting at which they are present and where they have a disclosable interest in any matter being considered and where the matter is not a sensitive interest.

3. EXCLUSION OF THE PRESS AND PUBLIC

1. To highlight Appendix 1 to Agenda Item 10 which officers have identified as containing exempt information within the meaning of paragraph 3, Part 1 Section B of the Access to Information Annex to the LEP Board Procedure Rules, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.
2. To consider whether or not to accept the officers' recommendation in respect of the above information as set out in paragraph 4.2 of Agenda Item 10.
3. If the recommendation is accepted, to formally pass the following resolution:-

RESOLVED – That in accordance with paragraph 3 of Part 1 Section B of the Access to Information Annex to the LEP Board Procedure Rules, the public be excluded from the meeting during consideration of Appendix 1 to Agenda Item 10 on the grounds that it is likely, in view of the nature of the business to be

transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

4. MINUTES OF THE MEETING HELD ON 13 JUNE 2018

(Pages 1 - 14)

5. PANEL AND COMMITTEE UPDATES

(a) BUSINESS COMMUNICATIONS GROUP

(Led by: Joanna Robinson)

(Pages 15 - 22)

(b) BUSINESS INNOVATION AND GROWTH PANEL

(Led by: Andrew Wright)

(Pages 23 - 30)

(c) EMPLOYMENT AND SKILLS PANEL

(Led by: Rashik Parmar)

(Pages 31 - 36)

(d) GREEN ECONOMY PANEL

(Led by: Simon Pringle)

(Pages 37 - 42)

(e) INCLUSIVE GROWTH AND PUBLIC POLICY PANEL

(Led by: Cllr S Pandor)

(Pages 43 - 44)

(f) INVESTMENT COMMITTEE

(Led by: Cllr P Box)

(Pages 45 - 70)

For Decision

6. STRENGTHENED LOCAL ENTERPRISE PARTNERSHIPS

(Led by: Ben Still, Author: Jon Skinner)

(Pages 71 - 86)

7. GROWING PLACES FUND REINVESTMENT

(Led by: Liz Hunter, Authors: Liz Hunter & Jon Skinner)

(Pages 87 - 94)

8. SKILLS SYSTEM REVIEW

(Led by: Sue Cooke, Author: Emma Longbottom)

(Pages 95 - 108)

9. REGIONAL ENTREPRENEURSHIP ACCELERATION PROGRAM - LINKS TO THE INDUSTRIAL STRATEGY

(Led by: Sue Cooke, Author: Sarah Bowes)
(Pages 109 - 110)

10. CHANNEL 4

(Led by: Roger Marsh, Author: David Shepherd)
(Pages 111 - 112)

For Discussion

11. NORTHERN POWERHOUSE (NP) 11

(Led by: Roger Marsh, Author: Liz Hunter)
(Pages 113 - 116)

12. ECONOMIC REPORTING

(Led by: Patrick Bowes, Author: James Hopton)
(Pages 117 - 130)

13. STRATEGIC PARTNERSHIP WITH DIGITAL CATAPULT

(Led by: Liz Hunter, Author: Sarah Bowes)
(Pages 131 - 134)

For Information

14. DATE OF NEXT MEETING

The next meeting will be held on 22 November 2018.

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**MINUTES OF THE MEETING OF THE
LEEDS CITY REGION ENTERPRISE PARTNERSHIP BOARD
HELD ON WEDNESDAY, 13 JUNE 2018 AT COMMITTEE ROOM A -
WELLINGTON HOUSE, LEEDS**

Present:

Roger Marsh OBE (Chair)	Leeds City Region Enterprise Partnership
Councillor Judith Blake CBE	Leeds City Council (to minute 20)
Ian Cherry	Nexus Vehicle Management
Professor Bob Cryan CBE	University of Huddersfield
Nicola Greenan	East Street Arts
Councillor Susan Hinchcliffe	Bradford Council
Amir Hussain	Yeme Architects
Councillor Shabir Pandor	Kirklees Council
Rashik Parmar MBE	IBM Academy of Technology
Councillor Tim Swift MBE	Calderdale Council
Councillor Andrew Waller	City of York Council (to minute 23)
Andrew Wright	Reliance Precision

In attendance:

Simon Pringle	Project Rome
Tom Riordan	Leeds City Council
Ben Still	West Yorkshire Combined Authority
Angela Taylor	West Yorkshire Combined Authority
Caroline Allen	West Yorkshire Combined Authority
Melanie Corcoran	West Yorkshire Combined Authority
Ruth Chaplin	West Yorkshire Combined Authority

Attending for specific items:

Sue Cooke	
David Shepherd	West Yorkshire Combined Authority
David Walmsley	West Yorkshire Combined Authority
Tom Gifford	West Yorkshire Combined Authority
Patrick Bowes	West Yorkshire Combined Authority
Jacqui Warren	West Yorkshire Combined Authority

1. Chair's Comments

In welcoming Members to the annual meeting, the Chair announced that Councillor Tim Swift had received a MBE in the Queen's Birthday Honours and the Board congratulated him on the award.

The Chair highlighted some of the headline achievements and the progress

made by the LEP, working in partnership with the Combined Authority over the last year and he thanked members for their support.

2. Membership of the Leeds City Region Enterprise Partnership Board

The Board considered a report of the Director of Resources which asked the Leeds City Region Enterprise Partnership Board (the LEP Board) to:

- Note the local authority representatives and substitutes appointed to the LEP Board.
- Confirm the private sector representatives on the LEP Board.
- Confirm the member of the LEP Board to represent and engage with the SME business community.

Councillor Swift advised that his substitute on the LEP Board would be Councillor Barry Collins.

Resolved:

- (i) That the local authority representatives and substitutes appointed to the LEP Board as set out in Appendix 1 to the submitted report be noted.
- (ii) That the private sector representatives on the LEP Board as set out in Appendix 2 to the submitted report be confirmed.
- (iii) That Joanna Robinson be confirmed as the member of the LEP Board to represent and engage with the SME business community.

3. Appointment of the Deputy Chair of the LEP

The Board considered a report of the Director of Resources on the appointment of a Deputy Chair of the Leeds City Region Enterprise Partnership (the LEP).

Resolved: That the LEP Board appoints Councillor Tim Swift as Deputy Chair of the LEP for 2018/19.

4. Nomination to the West Yorkshire Combined Authority and Appointments to Outside Bodies

The Board considered a report of the Director of Resources regarding LEP Board nomination to the West Yorkshire Combined Authority and appointments to outside bodies.

Resolved:

- (i) That Roger Marsh as Chair of the LEP Board, be the LEP Member on the Combined Authority and Professor Bob Cryan to be the substitute LEP Member on the Combined Authority.

- (ii) That the appointment of Roger Marsh, Chair of the LEP, as a co-opted member of Transport for the North, with Ian Cherry as his substitute, be noted.
- (iii) That Roger Marsh, Chair of the LEP, is a nominated representative to the Strategic Oversight Board for Northern Powerhouse Investment Fund Ltd, with Ben Still, Chief Executive Officer of the LEP as his alternative, be noted.

5. Apologies for Absence

Apologies for absence were received from Adam Beaumont, Joanna Robinson and Councillors Peter Box, Richard Cooper and Carl Les (and his substitute Andrew Lee).

6. Declarations of Interest

In accordance with the requirements of the LEP Board Members' Code of Conduct, Members were reminded of their obligation to review their individual register of interests before each LEP Board meeting and to declare any interests.

7. Exclusion of the Press and Public

There were no items on the agenda requiring the exclusion of the press and public.

8. Minutes of the meeting held on 27 March 2018

Resolved: That the minutes of the meeting held on 27 March 2018 be approved and signed by the Chair.

9. Appointment of Panels and Advisory Group to the LEP (Business Communications Group)

The Board considered a report of the Director of Resources in respect of the appointment of panels and advisory group to the LEP (Business Communications Group):

- To note the West Yorkshire Combined Authority's (the Combined Authority's) proposals to appoint panels at its annual meeting, to advise the Combined Authority and report to the LEP Board.
- To ask the LEP Board to appoint the Business Communications Group as an advisory group of the LEP Board, and confirm its membership and chair, and updated governance arrangements.

Resolved:

- (i) That the Combined Authority's proposals to appoint the following panels (advisory committees) at its annual meeting, which will also advise the

LEP, be noted:

- Business Innovation and Growth Panel
 - Employment and Skills Panel
 - Green Economy Panel
 - Inclusive Growth Panel
 - Place Panel
- (ii) That the LEP Board appoints the Business Communications Group as an advisory group of the LEP Board.
- (iii) That the membership of the Business Communications Group as set out in Appendix 1 to the submitted report be confirmed.
- (iv) That the updated governance arrangements for the Business Communications Group as set out in Appendix 2 to the submitted report be endorsed.
- (v) That Joanna Robinson be appointed as Chair of the Business Communications Group.

10. Governance Arrangements

The Board considered a report of the Director of Resources on the governance documents for the Leeds City Region Enterprise Partnership (LEP) and considered the following which were attached at Appendices 1-5 of the submitted report:

- LEP Constitution
- LEP Procedure Rules
- Access to Information Annex
- Code of Practice for recording meetings
- LEP Board Members' Code of Conduct

Resolved: That the governance document attached at Appendices 1-5 of the submitted report be approved.

11. Annual Report on Complaints and Whistleblowing

The Board considered a report of the Director of Resources which:

- Provided an annual report in respect of complaints and concerns raised about the LEP and/or members of the LEP Board this year.
- Sought approval to the updated LEP complaints procedures and whistleblowing policy, to provide for comprehensive annual reporting arrangements.

Resolved:

- (i) That the LEP Board notes that no complaints or concerns have been

raised this year under the LEP's complaints procedures, the Combined Authority's complaints policy or the LEP's whistleblowing policy.

- (ii) That the LEP Board approves:
- (a) The LEP whistleblowing policy as set out in Appendix 1 to the submitted report.
 - (b) The procedure for considering complaints alleging a failure to comply with the LEP Board Members' Code of Conduct as set out in Appendix 2 to the submitted report.
 - (c) The LEP's confidential complaints procedure as set out in Appendix 3 of the submitted report.

12. Remuneration and Expenses Scheme and Annual Summary

The Board consider a report of the Director of Resources which:

- Provided the annual summary of remuneration and expenses paid to members of the LEP Board.
- Sought adoption of the LEP Board Members' Remuneration and Expenses Scheme for 2018-19.

Resolved:

- (i) That the LEP Board Members' Remuneration and Expenses Scheme for 2018/2019, attached at Appendix 1 of the submitted report, be adopted.
- (ii) That the annual summary of remuneration and expenses, attached at Appendix 2 of the submitted report, be noted.

13. Equality and Diversity Policy and Statement

The Board considered a report of the Executive Head of Economic Services on the Equality and Diversity Policy and Statement.

The Policy and Statement was attached at Appendix 1 to the submitted report and a table outlining the composition of the Board following the LEP Board and Panel recruitment exercise undertaken in autumn 2017 was attached at Appendix 2. It was noted that the City of York Council's appointment to the LEP Board was Councillor Andrew Waller and Appendix 2 would be amended.

Resolved: That the Equality and Diversity Policy and Diversity Statement attached at Appendix 1 to the submitted report be approved.

14. Calendar of Meetings 2018/19

The Board considered a report of the Director of Resources on the proposed

calendar of meetings for the LEP Board for 2018/19 and the provisional dates for panels appointed by the West Yorkshire Combined Authority (Combined Authority) which report to the LEP Board and other committees.

Resolved:

- (i) That the calendar of meetings proposed for the LEP Board for 2018/2019 as detailed in Appendix 1 of the submitted report be approved.
- (ii) That the provisional meeting dates for panels to be appointed by the Combined Authority which report to the LEP Board, as detailed in Appendix 1 of the submitted report be noted.
- (iii) That the provisional meeting dates for the Transport Committee, West Yorkshire & York Investment Committee and the Business Investment Panel, as detailed in Appendix 1 of the submitted report be noted.

15. Panel Chair Updates

The Panel and Group Chairs were thanked for the following reports which were presented to the Board for information and update and, in discussing and noting the reports the following comments were made:

In respect of the Business Innovation and Growth Panel, the Board thanked Andrew Wright for giving evidence at a meeting of the Business, Energy & Industrial Strategy Select Committee, chaired by Rachel Reeves MP, where the productivity challenge was discussed.

Members welcomed the news that Leeds City Region's submission has been shortlisted by Channel 4 for its national headquarters or one of their 3 new creative hubs. A presentation would be given to Channel 4 as part of the bidding process and the Board was assured that this would be a collegiate City Region approach and input from all partners across the region was recognised. It was anticipated that Channel 4 would make an announcement on their preferred location in the Autumn.

The Board discussed the support provided to businesses and how this could be encouraged through broader engagement across the region and it was suggested that this could be considered further by the Business Innovation and Growth Panel.

With regard to the Employment and Skills Panel update, the Board discussed the delivery of the Skills Service which was now being undertaken by West Yorkshire Consortium of Colleges. Members also discussed apprenticeships and the need to ensure that relevant courses were available and affordable and it was suggested that it may be beneficial for the partner councils to consider these issues further. The Board recognised the importance of inclusive growth and noted that it continues to be embedded across the City Region. It was reported that a proposal to establish a formal Inclusive Growth

Panel which would oversee and monitor the realisation of inclusive growth was to be considered by the Combined Authority at its annual meeting.

Resolved: That the updates be noted.

16. Capital Programme Update

The Board considered a report of the Director of Delivery which provided an update on progress made on the implementation of the West Yorkshire Combined Authority's capital programme in 2017/18.

A summary of each of the Combined Authority's capital programmes was provided in Table 1 and spend by priority in respect of the Growth Deal target expenditure was outlined in Table 2 of the submitted report. The dashboards for the Growth Deal and West Yorkshire plus Transport Fund were attached at Appendices 1 and 2 and detailed the final spend and RAG rating of each project.

The Growth Deal performance and the outputs achieved to the end of 2017/18 were detailed in Table 3 and it was noted that activity was ongoing to ensure all projects accurately collate, evidence and report on outputs. Members noted the update on project progress and performance and the report outlined the projects which currently have a red RAG rating.

Progress in respect of the Local Transport Capital Programme, which includes five funding streams, was outlined in the submitted report. This included the Local Transport Plan Integrated Transport Block (LTP) and National Productivity Investment Fund (NPIF) and a breakdown of the initial allocation for 2017/18 and 2018/19 and expenditure on each project was provided at Appendix 3. The report also provided an update on other transport and economic development funding which included the DfT Cycle City Ambition Fund, WY Cycling and Walking Fund, Ultra Low Emission Vehicles, the WY Broadband programme and the Growing Places Fund.

Resolved: That the progress made in implementing the Combined Authority Capital Programme be noted.

17. Increasing the Region's Global Profile to Attract Investment

The Board considered a report of the Executive Head of Economic Services which set out options for Leeds City Region to increase its global profile, in particular to determine the LEP view on attendance at the MIPIM property and investment conference in 2018/19.

Members discussed the report which highlighted a number of alternatives and recommendations for the Board to review and consideration was given to the LEP's involvement and approach to achieving the objectives for increasing the City Region's global profile. They considered a number of options which were detailed in the submitted report and discussed their advantages, disadvantages and the assessments made against each in terms of their

relative effectiveness in achieving key objectives.

In respect of the region's presence at MIPIM 2018, it was reported that there had been good attendance and support from Leaders across the City Region and extremely positive feedback had been received from the business community and private sector sponsors. The Board acknowledged that the MIPIM event opened up key investment and property development opportunities to the City Region and, based on conversations with representatives from local authorities who had also attended, it was considered beneficial to attend in order to maintain the momentum and continue to build on the business relationships and enhance the profile and reach of the City Region.

The Board discussed alternative major events which were detailed in the submitted report. However, rather than consider them as viable alternatives to MIPIM, it was suggested that consultation be undertaken to develop a business case for attending some of these events which will further contribute to the LEP's overall objectives which were set out in paragraph 2.1 of the submitted report.

A summary of the previous year's MIPIM expenditure was attached at Appendix 1 and the Board discussed the options for funding which were outlined in the submitted report. It was noted that the event was currently funded by contributions from the public and private sector and it was reported that major sponsors were already committing to a sponsorship package should the Leeds City Region attend MIPIM in 2019.

Resolved:

- (i) That the continued involvement in MIPIM be approved.
- (ii) That the following proposals to better target the public investment be adopted:
 - Attendance at MIPIM UK is reduced with a smaller Leeds City Region exhibition stand.
 - Attendance at MIPIM Cannes 2019 is consistent with the recent MIPIM 2018 format and scale.
 - A private sector sponsorship generation target of over £400,000.
 - The Combined Authority contributes £120,000 on the basis that this is reduced if the sponsorship target is exceeded or any cost savings are derived in the organisation and delivery stages of the event.
- (iii) That consultation be undertaken regarding a business case for alternative events to also be considered, which will further contribute to the LEP's overall objectives set out in paragraph 2.1 of the submitted report.
- (iv) That the Combined Authority be asked to monitor and review the

reputational context of the event.

18. Transforming Cities Fund

The Board considered a report of the Interim Director of Policy and Strategy which:

- Provided an update on the development of the Transforming Cities Fund following the stage 1 submission on 8 June 2018.
- Sought formal support for the stage 1 submissions.

The Board had previously been provided with an overview of the Transforming Cities Fund and it was reported that following a member workshop, the Transport Committee had considered the scope and detail prior to the stage 1 submission. The submission had been published on the Combined Authority's website and copies of the submitted application form were available at the meeting.

The Board was advised that in the development of the second stage decision, the Department for Transport will work with up to 10 successful non-mayoral city regions to develop scheme specific proposals. It was anticipated that the second stage detailed bids would be developed throughout the year.

In endorsing the submission, it was agreed that a letter of support be sent by the Chair on behalf of the LEP Board to the Secretary of State for Transport.

Resolved:

- (i) That the Leeds City Region Transforming Cities Fund Stage 1 submission be endorsed.
- (ii) That the LEP Board write to the Secretary of State for Transport in support of the Leeds City Region Transforming Cities Fund Stage 1 submission.

19. North East, Yorkshire and Humber Energy Hub

The Board considered a report of the Interim Director of Policy and Strategy which:

- Provided an outline of the new combined North East, Yorkshire and Humber Energy Hub.
- Sought endorsement from the LEP Board to the establishment of the Hub.
- Sought the LEP Board's approval to delegate to the Combined Authority's Managing Director the authority to submit City Region bids under £10,000 to the Hub Board and Tees Valley Combined Authority.

It was reported that the Department for Business, Energy and Industrial Strategy (BEIS) is funding energy strategies for Local Enterprise Partnerships

and the Combined Authority is currently developing its energy strategy and delivery plan. To support delivery of the strategies, BEIS are also funding five new energy hubs including a North East, Yorkshire and Humber (NEYH) Energy Hub which will include the Leeds City Region (LCR). The objectives of the Hub were outlined in the submitted report and it was noted that the Tees Valley Combined Authority (TVCA) will act as the lead accountable local authority for the consortium of six LEPs and will manage the Hub's two year budget. The Combined Authority will received £100,000 over two years from the Hub and would be responsible for:

- Recruitment and all employment liabilities of a local LCR officer.
- Consultancy project development budget to be spent on city region projects identified in the Energy Strategy and Delivery Plan/other.
- Submission of local projects to the Programme Manager and Hub Board in line with TVCA's Assurance Framework.

It was noted that as the lead local authority, TVCA has signed a Memorandum of Understanding (MoU) with BEIS for two years and a Memorandum of Agreement (MoA) has also been drafted by TVCA which will need to be signed by all LEPs in the consortium

It was anticipated that the Hub will be fully established by August 2018 and will complement the work of the Energy Accelerator.

Resolved:

- (i) That the development of the new Hub and the additional capacity and support it will offer the City Region in developing local energy projects be endorsed.
- (ii) That the authority to submit City Region bids under £10,000 to the Hub Board and the Tees Valley Combined Authority for approval be delegated to the Combined Authority's Managing Director.
- (iii) That the authority to submit City Region bids over £10,000 to the Hub Board and Tees Valley Combined Authority for approval be delegated to the Combined Authority's Managing Director in consultation with the Green Economy Panel.

20. Economic Reporting

The Board considered a report of the Interim Director of Policy and Strategy which provided an update on the latest economic and business intelligence.

Members discussed the report and appendices which covered the main local, national and international economic developments since the last meeting. It was suggested that it would be helpful to consider additional measures in future reports to get a more balanced perspective and better understanding, particularly in relation to competitiveness and how well official national data on productivity reflects the City Region's economic performance. It was also

noted that the report will include a narrative on Brexit issues going forward.

Resolved: That the analysis and economic update be noted.

21. Call for Projects Update

The Board considered a report of the Director of Delivery which provided an update on progress made in respect of the 2017 call for projects, including an overview of prioritised schemes and next steps.

It was reported that following a call for projects in summer/autumn 2017, a total of 70 schemes were submitted for consideration for Growth Deal and 11 projects had been invited to submit more detailed submissions. Members discussed the summary of the 11 projects which was attached at Appendix 1. In respect of the institute for high speed railways and system integration scheme, reassurance was sought that the investment would complement, and not duplicate, the facilities already available in the region and it was requested that an independent report be commissioned to provide assurance that there was no overlap, and highlight any synergies and complementarity.

It was noted that the York Central Kickstarter scheme was not being progressed at this stage.

The Board was advised that the Combined Authority is changing the way that over-programming is being dealt with which may provide opportunities for a number of the new schemes to progress and borrowing arrangements to allow them to be funded are currently being considered. It was noted that some of the schemes do require development funding at this stage if entry into the programme is approved by the Combined Authority and they will be eligible to incur costs. These issues will be updated in a future report to the LEP Board.

Resolved: That the progress made in prioritising schemes for inclusion in the Growth Deal programme, subject to approval by the Combined Authority, be noted.

22. Culture, Sport and Major Events in the Leeds City Region Strategy

The Board considered a report of the Interim Director of Policy and Strategy on culture, sport and major events in the City Region strategy which:

- Set out progress on the Local Enterprise Partnership (LEP) Board's action plan on culture, sport and major events to highlight the different ways in which partners are driving a stronger offer across the City Region.
- Highlights links between this work and wider City Region activity. This includes the importance of exposing young people to a strong cultural, arts and sport offer in education (ie. a STEAM (Science, Technology, Engineering, Arts and Mathematics) curriculum and issues related to links between culture and the creative industries.

The report outlined progress on the short term actions from the plan which included strengthening the position of culture, sport and major events in City Region activity and to map, plan and present the City Region's cultural and sport offer collectively to maximise the benefits it brings.

In respect of exploring sustainable funding mechanisms, it was reported that discussions had taken place with other significant funders (eg. Arts Council England, Heritage Lottery Fund, Sport England/Yorkshire Sport). The Board discussed other opportunities which were detailed in the submitted report including the Northern Cultural Regeneration Fund, the Creative Industries sector deal (which was summarised in Appendix 1) and the Creative Cluster Research and Development Partnerships. It was noted that additional resource would be required in order to gather data, fully explore and take advantage of these opportunities, and it was suggested that consideration be given to sourcing a secondment from a partner council, the Department for Digital, Culture, Media and Sport or the Arts Council. There was discussion of how to encourage the profile of Asian and other cultural activities to widen exposure and opportunities for funding.

Resolved: That the progress of delivering the action plan on culture, sport and major events be noted.

23. Policy Framework and Local Inclusive Industrial Strategy Update

The Board considered a report of the Interim Director of Policy and Strategy which provided an update on:

- The emerging City Region policy framework and associated early draft outcome and impact measures.
- Work to identify how distinctive the Leeds City Region is from an Industrial Strategy perspective, including identifying areas of comparative advantage, such as key sector strengths, assets and growth opportunities.
- Work to further develop the proposed 'big ideas' that could form the basis of the City Region's local, inclusive industrial strategy, including partner engagement to help shape and test emerging proposals.

Members discussed progress on the development and emerging proposals for the strategy and noted the consultation activity which was outlined in the submitted report. It was reported that the Digital Framework was being progressed alongside the development of the strategy and once established, will contribute significantly to the narrative and objectives of the local inclusive industrial strategy. It was proposed to consider this further at the LEP Board awayday in September 2018.

Resolved: That progress on the development of the local, inclusive industrial strategy and policy framework be noted.

24. Any Other Business

The Board expressed their sadness and paid tribute to Barry Dodd, the Lord Lieutenant of North Yorkshire who had died in a helicopter accident. A service of thanksgiving was to be held on 20 July 2018 in Yorkshire

It was agreed that the meeting scheduled for July be cancelled and the next meeting of the LEP Board will therefore be held on 20 September 2018 at 2.30 pm.

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Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 20 September 2018

Subject: **Business Communications Group (BCG) update**

Director: Roger Baker – Head of Communications and Marketing

Author(s): Ian Williams, Racheal Johnson

1. Purpose of this report

- 1.1 To provide LEP Board members with an update on the meeting of the Business Communications Group (BCG), held on 20 June 2018.
- 1.2 To provide Board members with an update on communications and marketing activity in support of its objectives, delivered by the West Yorkshire Combined Authority's Communications and Marketing team.

2. Information

BCG meeting

- 2.1 The meeting welcomed two new BCG members: Beckie Hart, Regional Director (Yorkshire and Humber) of the CBI and Paul Varley, Area Director for Lloyds Bank.
- 2.2 Joanna Robinson, Chair, provided feedback about the recent LEP Board to BCG members.
- 2.3 The main agenda item was an update on the LEP's Growth Service and specifically support for apprenticeships, as requested by BCG members at their March meeting. Attendees welcomed the updates and key discussion points included:
 - Whether information is being collected about enquiries to the growth service that can't be supported, so that gaps in support can be identified to support future funding bids.
 - Whether job creation/ safeguarding is the main priority for support, and whether improved productivity should also be a target, given the focus on this in proposals for the Local Inclusive Industrial Strategy.

- Support for apprenticeships remains unclear following the recent reforms, and the LEP should continue with its work to help clarify the situation.
- 2.4 Since the BCG meeting took place a report on the impact of the Growth Service in 2017-18 has become available and has been distributed to all BCG members, alongside information about the new Apprenticeship Grant for Employers (AGE). A monthly briefing on Growth Service performance has also been produced in response to feedback received at the meeting, and this will be shared with BCG members going forward.
- 2.5 BCG members provided general updates on issues and opportunities that are impacting upon business in the City Region. The key themes raised were:
- **Brexit** – the lack of clarity about a settlement continues to cause great concern and is impacting upon investment and growth decisions. Concerns were also expressed about what seems to be a lack of urgency to reach a Brexit settlement, and that the Government’s focus upon Brexit is having a detrimental impact on other areas of government that still need to function properly.
 - **Devolution** – business remains concerned about the lack of a local/regional devolution settlement for the region and would welcome more engagement/consultation with the business community about the proposals for devolution.
 - **Key sectors** – some sectors, such as parts of manufacturing are starting to see a slowing down of orders and sales, whereas other such as the electronics sector remain buoyant.
 - **Recruitment** – difficulties continue for businesses looking to recruit skilled staff in key sectors, with the Construction and Logistics sectors facing particular shortages. There has been a lower than expected take up of apprenticeship opportunities in some sectors.
 - **GDPR** - there remains a lack of clarity about the practical implications of the recently introduced GDPR legislation.
 - **Clean Air Zone, Leeds** – at a local level the proposals for the introduction of a Clean Air Zone in Leeds are causing concern for SMEs who own/operate non-compliant vehicles.
- 2.6 BCG members also received an update on the City Region’s bid to host the new headquarters for Channel 4 and expressed their support for the bid.
- 2.7 The next BCG meeting takes place on 19 September.

Communications and Marketing

- 2.8 The Board is asked to note the below updates in relation to the LEP’s key communications and marketing channels for June and July. As noted in

previous Board updates, the West Yorkshire Combined Authority Communications and Marketing team now covers the full breadth of the Combined Authority/ LEP agenda and the media statistics presented below refer to coverage across this full range of activity.

Media coverage (June 2018)

Stories issued:	26
Media mentions:	598
Estimated reach:	26,004,292
Estimated Advertising Value Equivalent (AVE)	£1,310,377

Media coverage (July 2018)

Stories issued:	24
Media mentions:	905
Estimated reach:	38,756,118
Estimated Advertising Value Equivalent (AVE)	£1,939,323

2.9 Select recent media highlights are included at **Appendix 1**.

2.10 Website (June)

	www.the-lep.com	www.investleedscityregion.com
Primary audience	<ul style="list-style-type: none"> City Region businesses (primarily SMEs) 	<ul style="list-style-type: none"> Potential investors in the City Region
Sessions	5,357	1,769
Page views	15,855	5,124

Website (July)

	www.the-lep.com	www.investleedscityregion.com
Primary audience	<ul style="list-style-type: none"> City Region businesses (primarily SMEs) 	<ul style="list-style-type: none"> Potential investors in the City Region
Sessions	4,017	2,158
Page views	17,526	5,210

2.11 Twitter – June:

	@LeedsCityRegion	@InvestLCR
Impressions	52,200	35,400
Engagements	582	158
Follower growth	116	121

Twitter – July

	@LeedsCityRegion	@InvestLCR
Impressions	141,000	104,000
Profile visits	2,220	2,030
Follower growth	129	121

2.12 Key communications and marketing highlights:

- A campaign marking the **Growth Deal halfway point** was delivered during the first two weeks in June. Focusing primarily on social media case studies and infographics, the campaign hashtag #LCRGrowthDeal generated in excess of 750,000 Twitter impressions, secured significant social media support from partners and generated regional media coverage for two stories, focusing on the overall impact of the Growth Deal to date and the topping out of the new Leeds City College Quarry Hill campus, funded through the Growth Deal. Two ministerial quotes were also secured from Northern Powerhouse Minister, Jake Berry MP.
- The monthly **partner eNews** on the key news stories from the LEP and Combined Authority has seen increased open and click-through rates since its launch in January. The open rate for the most recent newsletter has risen to 35%, which is the highest level of engagement of any Combined Authority/ LEP e-newsletter. An example of the most recent edition is available at: <https://mail-westyorksca.com/t/3LTT-FPEX-4782RMB83/cr.aspx>. Meanwhile, the **LEP SME eNews** continues to be distributed monthly to 12,000 businesses across the City Region with an average open rate of 13% - this is an increase on the previous average of 10% and is within the industry average of 10-15% for an e-newsletter targeting such a large audience. The latest edition is available at: <https://mail-the-lep.com/t/3LTT-FFI7-4782RMB83/cr.aspx>
- The **#4sparks campaign** to bring Channel 4 to the region has continued with social media endorsements from TV writer and director Kay Mellor, Channel 4 presenter Amar Latif and Kaiser Chief band member Simon Rix. Advertorials with a focus on support for young Leeds City Region talent to succeed in TV skills are featuring in Broadcast (a TV industry publication) for two weeks in August. The decision as to the location for the Channel 4 National HQ will be announced in October.
- A campaign to promote the new **LEP Apprenticeship Grant for Employers** was launched on 1 August. The campaign was developed following market research targeting SMEs in the region, and includes campaign creative, marketing collateral, website development, social media and media relations. Campaign results will be reported to a future meeting.
- The **Discover Digital campaign**, promoting career opportunities in the City Region's fast-growing digital sector, launched on 15 August. A dedicated campaign website, supported by key digital employers in the

region, has been created at discoverdigital.org.uk. Campaign updates will be brought to a future meeting.

- An engagement exercise encouraging businesses, partners and individuals in the City Region to have their say on the emerging **Digital Framework** for the City Region was launched last month. To date over 100 survey responses have been received. Outcomes from the engagement will be reported to a future meeting.
- An engagement exercise has also been launched around the **LEP Review**, giving businesses and business representative bodies in the region the opportunity to help shape proposals for revised geography and governance arrangements as a result of the Government's LEP Review. Details are available at: yourvoice.westyorks-ca.gov.uk/lepreview

2.13 Planned activity over the coming quarter:

- The Apprenticeships grant, #4Sparks and Discover Digital campaigns will continue into the autumn. A campaign will also launch imminently around the City Region's **Career Learning programme**, encouraging people in the region to improve their skills through various mechanisms. Information will be hosted on the LEP website.
- **An updated LEP impact review** is being developed over the summer and early autumn for launch at the end of 2018. This will build on the well-regarded LEP impact report of 2015, which secured the endorsement of the then Prime Minister, setting out the impact that the LEP has achieved in partnership with the Combined Authority over the past three years.
- **Development of the LEP website and brand** will also begin over the summer and early autumn, as part of a project to bring all of the websites across the LEP/ Combined Authority "family" onto a single platform. This project will realise benefits in terms of making the relationship between the various parts of the LEP/ Combined Authority's work clearer for audiences and delivering substantial cost savings.
- There will be continued communications and engagement support around the LEP Review and the outcomes of proposals ultimately agreed by the LEP Board in September.

3. **Financial Implications**

3.1 None.

4. **Legal Implications**

4.1 None.

5. Staffing Implications

5.1 None.

6. External Consultees

6.1 None.

7. Recommendations

7.1 That LEP Board members note the contents of this report.

7.2 That members offer comments on the business challenges and issues raised by BCG members in section 2.3 and appropriate responses.

8. Background Documents

8.1 None.

9. Appendices

9.1 Appendix 1: Select media highlights

Item 5A, Appendix 1: Select media coverage

Channel 4 Relocation

- [The Guardian - Channel 4's second HQ to be in Birmingham, Manchester or Leeds](#) 23 July
- [The Drum - Channel 4 shortlists Birmingham, Greater Manchester and Leeds for 'National HQ'](#) 23 July
- [Yorkshire Post - Mark Casci: Why Leeds is the perfect destination for Channel Four](#) 25 July
- [Yorkshire Evening Post - Roger Marsh OBE: Opportunity for Leeds and Channel 4](#) 19 June

Digital Consultation

- [Yorkshire Post - Have your say on digital growth strategy for Leeds city region](#) 30 July

LEP

- [Yorkshire Post - 'Rail devolution can help unlock North's power', says Leeds enterprise boss](#) 12 June

Digital Inward Investment Fund Launch

- [Supanet.com - Leeds City Region Enterprise Partnership Relocation Funding](#) 20 June

Jobs safeguarded by the LEP

- [BusinessLink - LEP Growth Deal secures thousands of jobs](#) 28 June

Growth Deal funding

- [Telegraph and Argus - Funding approved for more growth schemes](#) 28 June

NP11

- [Businessdesk.com - People: Chair of newly formed Northern Powerhouse body announced](#) 9 July

HS2

- [Insider - City Region Leaders Present HS2 Investment Case](#) 27 July

Leeds City College Topping Out

- [Businessdesk.com -Topping out for £57m college campus development](#) 4 July

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Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 20 September 2018

Subject: **Business Innovation and Growth Panel update**

Director(s): Sue Cooke, Executive Head of Economic Services

Author(s): Henry Rigg, David Shepherd, Jonathan Skinner, Sarah Bowes

1. Purpose of this report

1.1 To provide the LEP Board with a report on the work of the BIG Panel.

2. Information

Innovation

Business Basics Fund

- 2.1 Innovate UK has launched the business basics fund competition with the objective of stimulating innovative ways of encouraging micro, small and medium-sized enterprises (SMEs) with mid-to-low productivity to adopt existing technologies and business practices that can boost their productivity. The fund uses BEIS funding, and opened on 26 June, with a deadline for submissions by 4 September.
- 2.2 The Combined Authority bid will develop a randomised control trial of between 500 to 1,000 City Region firms with low-to-mid productivity to assess the most cost-effective approaches to:
- increase awareness amongst those businesses of their relative performance and the extent to which they reflect high productivity characteristics;
 - increase take-up of practical (publicly funded and non-publicly-funded) support to increase the number of characteristics associated with high-productivity businesses and thereby improve productivity.
- 2.3 The application for £70,000 was submitted ahead of the 4 September 2018 deadline.

Access Innovation

- 2.4 This LEP programme supports businesses to develop new products and processes via a package of advice and funding. To date, it has engaged with over 430 businesses, 214 of which have received one-to-one support from the three Innovation Growth Managers. This has resulted in the development of detailed action plans for each business innovation project. 24 applications for grants have been approved to date with a collective value of £934,000, and a further 11 totalling £650,000 are currently being appraised.
- 2.5 The highest number of enquiries and approved applications to date are from the healthcare and life sciences, manufacturing (including textiles) and digital sectors. A procurement exercise is currently being undertaken to appoint an organisation to support SMEs to increase their innovation capacity. This will involve the delivery of a workshop programme covering the key elements of the innovation process, and will further improve the volume and quality of SMEs engaging with the full support package available.

Digital

- 2.6 The consultation for the Digital Framework (#TransformedbyTech) is, at the time of writing, live. Using the Combined Authority's new engagement platform, Your Voice, residents and businesses are being asked to share their views on how the City Region can ensure everyone has the opportunity to benefit from the growth of digital technologies.
- 2.7 Since its launch on 2 July, 90 responses to the survey have been received (up to 13 August). The majority of these are from individuals (81%), with 10% from organisations and 9% from businesses. 42% of responses are from Leeds; 11% from Bradford; 10% from Wakefield; 8% from Barnsley; 7% from Kirklees; 3% from York and Craven each; and 2% from Harrogate and Calderdale each;

A final push in the remaining few weeks will target businesses, with the consultation due to close on 14 September. Following this the responses will be analysed and shared at a future LEP Board meeting.

Business Support

Business Growth Programme (BGP)

- 2.8 The BGP provides grants to businesses in the City Region towards capital investment (land, building, plant, equipment, machinery) that will lead to new jobs and improvements in productivity.

Table 1: Programme performance against headline targets

Target Measure	6-Year Target (April 15 to March 21)	Achieved (as of July 18)
Expenditure	£38,96m	Committed - £29.57m Actual - £24.34m
New Jobs Created	4,100	Committed - 4,936 + 1,693 safeguarded Actual - 3,033 + 1,682 safeguarded
Businesses Supported	765	Committed – 538 Actual – 453
Number of Grants Awarded	N/A	Committed – 626 Actual – 520
Public/ Private Sector Leverage	£168.5m	Committed - £306.4m Actual - £231.6m
Total Cost Per Job	No contractual target	Committed - £5,991 Actual - £8,026

- 2.9 The above table shows good progress against the target to create 4,100 new jobs by the end of March 2021, with just over 3,000 created to date and commitment of a further 1,953 from approved applications. The 1,682 jobs safeguarded are as a result of grants awarded to businesses severely affected by the 2015 Boxing Day floods.
- 2.10 A proposal to reduce the maximum amount of grant available to a business in a three-year period from £500,000 to £250,000, and to limit the number of successful applications to three over a three-year period, will be considered by the Business Innovation and Growth Panel at its meeting on 13 September 2018. The changes are being proposed to ease pressure on the overall BGP budget and to give more businesses the opportunity to apply.
- 2.11 The new Inclusive Growth commitments were implemented on 31 July 2018 and the Business Productivity Pilot will be launched on 17 September 2018. The former has introduced an incentive for applicants to create higher paid jobs in accordance with the Real Living Wage. It requires recipients of grants of over £50,000 to make inclusive growth commitments, such as working with a local school or upskilling their staff. The latter will invite businesses to submit applications for capital grant investment that will result in measurable productivity improvements, but that do not require net additional jobs to be created. This will be via an open call for projects between 17 September and 14 December 2018.

LEP Growth Service

- 2.12 The Growth Service provides businesses in the City Region with direct access to the full range of publicly-funded products and services available to help them grow. Table 2 below highlights performance against the headline targets for 2018/19.

Table 2: Performance against headline targets 2018-19.

Target Measure	Target	As of July 2018
SMEs supported - light-touch & intensive (such as attendance at events, sign-ups to the LEP eNewsletter, referrals to other products/services)	2750	800
SMEs supported - intensively by SME Growth Managers (ongoing support over the year i.e. several meetings, diagnosis of need, personal referral to relevant products/services, support with funding applications etc).	630	294
Proportion of businesses supported likely to recommend it	85%	92%

- 2.13 The service is on track to meet its annual target of supporting 2,750 businesses. Since April 2018, it has supported 800 individual businesses, of which 294 have been intensively supported by the team of SME Growth Managers. 442 businesses received support from the LEP business support products in the first quarter of 2018/19. In addition to the SME Growth Managers, this includes Access Innovation, Strategic Business Growth, the Business Growth Programme and the Resource Efficiency Fund.
- 2.14 Seven Pop-up Business Support Cafe events have been delivered so far this financial year in Beeston (Leeds), Manningham (Bradford), Wakefield, Todmorden, Otley, Keighley and Cleckheaton. 119 people from 102 small businesses attended the events and accessed 109 hours of free advice from a range of local private sector experts. Sales and marketing, including the use of social media, continue to be the most popular topics. Satisfaction levels remain high with 85% of attendees rating the events as good or excellent, and 58% stating that they are now likely to do something different in their businesses.

Other Business Support Programmes

- 2.15 The Strategic Business Growth (SBG) project provides small, ambitious businesses in the City Region with a package of tailored support to help them achieve their growth potential. This includes business coaching, workshops on growth topics, peer-to-peer learning and capital grant-funding.
- 2.16 141 businesses are now fully engaged with the package of support available, of which 107 have developed detailed growth plans with their allotted account managers. 73 of the above businesses have benefitted from a combined total of over 2,700 hours of further one-to-one coaching, and 36 have attended at least one of the workshops that are covering such topics as scaling-up, access to finance and delivering against a business plan. 45 new jobs and four new

products have been created so far on the project. In addition, capital investment grants totalling £285,000 have been awarded to 16 businesses.

- 2.17 The Growth Service is the access point for the Travel Plan Network (TPN), which provides businesses of all sizes across West Yorkshire with advice and guidance on implementing sustainable travel solutions. 41 businesses have joined the network since April 2018 and there are now over 360 members in total accounting for almost 300,000 employees between them.
- 2.18 The Northern Powerhouse Investment Fund (NPIF) formally launched on 22 February 2017, and has since invested £11.48m of funding in 73 businesses in Leeds City Region. £1.66m has been invested in 38 businesses via the micro fund, £6.67m has been invested in 27 businesses via the debt fund, and £3.15m in eight businesses via the equity fund.
- 2.19 NPIF promotion has continued by both the appointed fund managers and the British Business Bank with extensive networking and attendance at key events. The focus continues to be private sector professional intermediaries (e.g. banks, accountants and solicitors), business membership organisations and the LEP Growth Service to continue to widen awareness of, and participation in, the fund.

Trade and Investment

Trade Outlook

- 2.20 The total annual value of UK exports increased by 8.2% to £330 billion in the year ending March 2018 compared with the same period the previous year. Eight English regions, including Yorkshire & the Humber experienced an increase in the value of exports. The largest increase was 15% in the East Midlands with Yorkshire & the Humber showing an increase of 8.7%.
- 2.21 The total number of businesses exporting from the UK increased by 4.1% between Q1 2017 and Q1 2018. The number of businesses in Yorkshire & the Humber similarly grew by 3.3% over the same period.
- 2.22 The British Chambers of Commerce Quarterly Economic Survey for Q1 2018 reports strong global trading conditions and shows that 30% of manufacturers reported improved export sales in the quarter with 13% of service firms reporting improved export sales, both figures up from the previous quarter
- 2.23 The EEF/BDO Manufacturing Outlook for Q2 2018 also shows a continuing positive growth in export markets but at a slower rate than previously. European markets remain the largest for the UK but with businesses reporting a slowdown in demand.
- 2.24 Key trade activities planned for the remainder of 2018/19 include (Businesses have the opportunity to attend as part of these trade missions.)

- A series of European focused events: These are a joint initiative with Enterprise Europe Network, DIT and a range of business organisations.
- Delegation to China and Hong Kong
- City region delegation to Boston (theme)
- 'Meet the Buyer' activity with Kaola.com
- Valve World Expo 2018 in Dusseldorf
- Gulf roundtable: A roundtable discussion with Medilink, the British Centre for Business in Dubai.
- Arab Health 2019. This will build on the city region's attendance at Arab Health 2018
- A food and drink focussed event in planning

Inward Investment – Performance Update

- 2.25 There have been two new inward investment successes since the last panel report in June, these are as follows:
- Avenue HQ; 20 new jobs. A UK owned (Liverpool) flexible workspace, meeting room community has set up a hub in Leeds City Centre.
 - Connexin; 10 new jobs. A UK owned (Hull) digital telecommunications firm has set up a service depot to deliver business broadband and smart city applications in the city of Bradford.
- 2.26 The team received a total of 33 new enquiries from the period April through to July, of which 11 were in Category A (opportunities with the potential for at least 50 jobs).
- 2.27 Leeds City Region's pitch for the Channel 4 National HQ has been shortlisted alongside Greater Manchester and Birmingham. We are now in a process of advanced negotiations with Channel 4. Channel 4 are visiting the region early September and plan to make a final announcement regarding their HQ location in October 2018.
- 2.28 A mission to Hangzhou, Qingdao and Hong Kong is planned from 5-13 September which will include civic and business meetings. This coincides with Leeds (sister city) 30 year celebrations. Councillor Blake and Ben Still will be attending.
- 2.29 George Hollingbery MP, Minister of State for Trade Policy visited the region. A round table was hosted where we outlined the international trade characteristics of Leeds City Region and discussed the Government's position on BREXIT.
- 2.30 Upcoming planned activities include
- MIPIM UK in October in London
 - SMART City Expo World Congress 2018 in November in Barcelona.

Investor Development – Performance Update

- 2.31 Following a successful pilot the LEP has secured funding from DIT for the period April 2018 to March 2019. This has enabled the establishment of a team to initiate investor development activity.
- 2.32 Given that traditionally c.60% of foreign direct investment comes from indigenous foreign owned businesses this work with foreign owned businesses enables the LEP to:
- Generate an increased number of Foreign Direct Investment (FDI) projects for the City Region.
 - Build investor development capability in the region which can anticipate and influence business decisions through regular company engagement and utilise the Government’s global network to build packages of support.
 - Share vital business/sector intelligence across Government that can be used to inform, educate and influence local and national economic policy.

3. Financial Implications

- 3.1 There are no financial implications directly arising from this report.

4. Legal Implications

- 4.1 There are no legal implications directly arising from this report.

5. Staffing Implications

- 5.1 There are no staffing implications directly arising from this report.

6. External Consultees

- 6.1 No external consultations have been undertaken.

7. Recommendations

- 7.1 That the LEP Board note and endorse the contents of the report.

8. Background Documents

None.

9. Appendices

None.

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Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 20 September 2018

Subject: **Employment and Skills Panel update**

Director(s): Sue Cooke, Executive Head of Economic Services

Author(s): Emma Longbottom

1. Purpose of this report

- 1.1 To provide the LEP Board with a report on the work of the Employment and Skills Panel.

2. Information

Employment and Skills Plan Review

- 2.1 As part of the review of the Employment and Skills Plan it was agreed to take forward the following actions:

- Develop a series of policy statements;
- Investigate developing Citizen Personas.

Employment and Skills Plan Policy Statements

- 2.2 The evolution of the current Employment and Skills Plan into policy statements will build on the strong foundations of the current plan and align to the new policy framework agreed by the LEP Board.
- 2.3 The next phase, alongside the development of the online platform, is to work up strategic/policy narratives for areas not covered in the current plan. It was agreed that 'Improving careers education, information, advice and guidance' would be discussed at the Panel in November.
- 2.4 The process for engagement and turning the policy narratives into firm visions and aims for the Combined Authority is being finalised. It is likely to include the following stages:
- Panel Members discuss strategic narratives;
 - Members of the public comment and provide input;
 - Narratives return to ESP for final comments and sign off;

- Develop narratives into final policy statements for LEP Board and Combined Authority endorsement.

Citizen Personas

- 2.5 It was agreed that the Combined Authority's policy and strategy team should investigate the idea of producing citizen personas which map individual's pathways through the skills system who are representative of groups within the region – this will help to identify where the current system fails certain groups/individuals and allow us to develop interventions/policies to address this where possible.
- 2.6 A workshop will be held in October on developing the citizen personas and Panel Members are asked to volunteer to take part.

Topic Insight – Skills Obsolescence

- 2.7 It has been agreed with the ESP Chair that topic insight sessions should become a core element of future ESP meetings. These sessions will explore key issues facing the Leeds City Region, and agree actions.
- 2.8 The issue of skills obsolescence was identified as the subject of the first session. Skills obsolescence comes about when workers' skills are rendered partly or wholly obsolete by technological change and other factors, negatively impacting on their employability. There is evidence to suggest that this issue could in future have a markedly disruptive impact on employment in the City Region as a result of developments in artificial intelligence and automation, with serious implications for inclusive growth.
- 2.9 To provide the basis for a discussion key evidence was provided, including:
- The background to the skills obsolescence challenge –developments in respect of automation and associated drivers of change
 - The scale and nature of the skills challenge facing the City Region.
 - The skills and jobs that face the greatest risk of obsolescence and the groups that will suffer the greatest adverse impact as a result
 - The jobs and skills that are relatively resistant to obsolescence and are likely to offer continuing opportunities into the future
 - The types of action that can be taken locally to address skills obsolescence and the potential levers that could support action
- 2.10 Actions agreed following discussion were:
- To discuss LEP Inclusive Growth Grant Conditions at the November Panel.
 - To form an agile squad to discuss starter jobs and how they will be defined within the new labour market context.
 - To look at more in-depth data regarding the groups and geographical areas that are particularly at risk from automation and skills obsolescence.

Apprenticeships

- 2.11 The Apprenticeship Grant for Employers (AGE) went live on 1 August.

Information and guidance on the grant eligibility and application process is on The LEP website www.the-lep.com/age. The marketing and communications campaign focuses on priority sectors with 'One Person, Big Difference' messaging, reflecting that one grant is available per company, to encourage those who have never offered apprenticeships to get involved and see the difference an apprentice can make to their business.

2.12 Through our Enterprise in Education Programmes the following apprenticeship awareness activity has been delivered in schools across Leeds City Region during the summer term:

- 84 apprenticeship promotion activities were delivered during this period, engaging with 14,244 young people;
- Apprenticeship activities were delivered to 2,909 disadvantaged young people (receiving pupil premium funding);
- The Apprenticeship Support and Knowledge (ASK) for schools project delivered apprenticeship information sessions to 1,463 young people.

Delivery Agreements

2.13 Light touch reviews have taken place during the summer with six of the seven West Yorkshire further education colleges, with the final review to take place during September. All meetings were very informative and productive. Key points to note are the impact of the apprenticeship reforms on providers.

2.14 Several colleges reported that they either have or are undertaking a curriculum review to ensure that their offer is responding to the needs of local businesses and economic need – a strategic outcome of the Delivery Agreement process we had hoped to achieve.

Skills Capital

2.15 Good progress is being made in completing the Skills Capital programme. Construction is underway on the three remaining capital projects at:

- Leeds College of Building – Hunslet Road Phase II – construction ongoing and will be open to students January 2019
- Kirklees College – Dewsbury Learning Quarter – Springfield Centre completed and open to students from September 2018.
- Leeds City College – Quarry Hill campus – construction ongoing and open to students in September 2019

Enterprise in Education

2.16 Leeds City Region has been successful in the competitive process to apply for a **Careers Hub** in Kirklees, to start in September 2018. Kirklees is 1 of 20 areas nationally to have a Careers Hub, and only 1 in 10 areas to receive a 'virtual wallet' and additional funding through the Hub for schools.

- 2.17 Ten secondary schools in **Wakefield**, and a further ten in **Leeds** have also been shortlisted by the Careers and Enterprise Company to receive ‘virtual wallet’ funding (careers and enterprise activities in schools from an approved list of providers). Enterprise Coordinators will support secondary schools with the process, when announced.
- 2.18 Enterprise Coordinators in the **Opportunity Area** of Bradford are engaged with 44 secondary schools and colleges to support employer engagement plans, the team are on track to achieve the 3 year target.
- 2.19 The Combined Authority’s team of Enterprise Coordinators working with 160 secondary schools and colleges and a similar number of employers, have so far achieved, (including the apprenticeships awareness figures in 2.12):
- 69,008 employer encounters in our region
 - 9,542 pupil premium students have had at least one employer encounter, and 3,362 have had two or more against an annual target of 12,000 students to have an enhanced offer for 2 or more encounters
- 2.20 **#futuregoals** careers campaign for young people and their key influencers to support better informed choices, which has to date reached over 1 million people, is being further developed for a ‘soft’ re-launch of the website and further resources in September.

Career Learning Pilot

- 2.21 The Career Learning Pilot, which is designed to test methods of outreach and subsidy for low skilled adults in work or close to the labour market is now underway. The outcomes of the pilot will be used by DfE to inform the re-design of the National Re-training Scheme.
- 2.22 Activity to date has included:
- National Careers Services Advisers have been trained and upskilled in the offer of the pilot in order to support individuals;
 - Local Authorities are beginning to deliver outreach work;
 - Union Learning Representatives have been trained and upskilled;
 - The central marketing campaign to support the outreach has launched;
 - The website for the campaign is live, www.the-lep.com/earnit.

Digital Skills Campaign

- 2.23 The [Discover Digital](#) website has now launched alongside social media channels. The campaign is aimed at adults across the region, with the primary audience being graduates and career changers. The aim of the campaign is to inspire individuals into digital roles, to promote digital skills across our key industry sectors and to demystify digital careers.

Labour Market Information

- 2.24 The 2018/19 Labour Market Information Report was launched with two workshop sessions on 12 and 19 September.

3. Financial Implications

- 3.1 There are no financial implications directly arising from this report.

4. Legal Implications

- 4.1 There are no legal implications directly arising from this report.

5. External Consultees

- 5.1 No external consultations have been undertaken.

6. Recommendations

- 6.1 That the LEP Board note and endorse the contents of the ESP report.

7. Background Documents

None.

8. Appendices

None.

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Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 20 September 2018

Subject: **Green Economy Panel Update**

Director(s): Liz Hunter, Interim Director of Policy and Strategy

Author(s): Jacqui Warren

1. Purpose of this report

- 1.1 To provide an update on progress against the Green Economy Panel's major projects and programmes.

2. Information

Energy Accelerator

- 2.1 The Energy Accelerator (Accelerator) is a key initiative under priority three of the Strategic Economic Plan (SEP) which aims to create a zero carbon energy economy by 2036. It is a new innovative programme. The Energy Accelerator is a new team of experts that will support the development of low carbon projects. It will potentially offer free support to the commercial and public sector in the following areas:

- Energy efficiency and renewable energy (new and retrofitted)
- District heat networks
- Street lighting

- 2.2 The table below summarises the recent progress and remaining major activities required to establish and commence delivery of the Accelerator's project development support services.

Activity	Timescales
European Investment Bank (EIB) funding contract comes into force	Completed 1 August 2018
Final approvals through the Combined Authority's assurance process to establish the Accelerator	Completed 17 August 2018
Commence recruitment of the Combined Authority internal roles -	August – September 2018

Project Manager and Project Assistance	
Award the external Advisors that will provide the Accelerator's project development support	Early September 2018
Continue to develop the pipeline of projects for support	Ongoing
Operational	Early October 2018 – 1 August 2021
Launch	Late October 2018

Better Homes Yorkshire

- 2.3 This is a City Region wide programme delivering energy efficiency and heating improvements across the City Region's homes. During 2017/18 improvement works were carried out in 627 homes, bringing the total number of homes improved through the Programme to 3,107. This represents a decrease against the target for the year of 1,000 homes improved, action plans have now been developed to tackle this and a new target of 1,320 has been developed for 2018/19.

Warm Homes

- 2.4 This is a £2.9 million scheme delivering efficient central heating systems, and often a gas connection to fuel poor households who do not use mains gas as their primary heating fuel. Around 103 properties (14% of target) have now been improved, and the programme has an end date of March 2019.
- 2.5 Another round of Warm Homes Funding is currently available. The Combined Authority and the City Region local authorities are currently developing a joint bid. This may include funding to deliver an additional 1045 affordable heating solutions to fuel poor household without mains gas as their primary heating fuel. The deadline for bid submission is 28 September 2018. If successful the scheme could commence from February 2019 for up to 3 years, as a follow on to the existing programme.

Resource Efficiency Fund

- 2.6 The Resource Efficiency Fund (REF) offers free expert advice and business support to small and medium sized enterprises (SMEs) to help them to implement energy and water efficiency and waste reduction measures.
- 2.7 Table 1 summarises the most up to date key progress indicators for the Resource Efficiency Fund.

	Last Update	Current	Revised Programme Target
Total Business Contacts	347	379	501
Assessments Commissioned	188	198	321
Businesses Supported	114	133	303
Businesses receiving non-financial support	112	126	200
Businesses receiving information, diagnostic and brokerage support	45	45	75
Grants Completed	44	67	133

- 2.8 Overall, businesses supported are at 95 percent of target to the end of June. There have been 95 grant approvals to date, with 3 subsequently withdrawing.
- 2.9 A project change request has been approved by the managing authority for ERDF reviewing the project budget resulting in an increase in the funding available for grant support (to £931,695) and revised output targets.

District Heat Network (DHN) Programme

- 2.10 The DHN Programme continues to support 11 active schemes in the Leeds City Region. These innovative schemes aim to produce heat (and or use waste heat) to create localised heat networks that heat homes and businesses. They can also help reduce carbon emissions and create fair priced energy locally.
- 2.11 Feasibility study work on the Castleford Spatial Priority Area (SPA) district heat network has restarted. There had been a hiatus pending the submission of a planning application for the main development site in the SPA.
- 2.12 The Leeds PIPES scheme is now on-site and is on track to complete by end of June 2019 as planned. The Combined Authority have established monthly monitoring of financial and project progress with the project team at Leeds City Council, spend of Growth Deal grant award of £4 million is expected in 2018/19.

Green and Blue Infrastructure (GBI) Strategy and Delivery Plan

- 2.13 This work aims to deliver a new regional strategy and delivery plan that aims to create high quality natural / green infrastructure and environments across the City Region including new woodlands, street trees, and open spaces.
- 2.14 Prioritisation of the 161 actions has now been completed and discussions are now taking place with partners to understand the level of commitment towards

the prioritised actions. The final Strategy and Delivery Plan will be brought to the Green Economy Panel and this Board's next meetings for discussion and approval.

Zero Carbon Energy Strategy and Delivery Plan

- 2.15 The Strategic Economic Plan (SEP) under Pillar three (Energy and Environmental Resilience) sets out the ambition of becoming 'a resilient, zero carbon energy economy by 2036'. To understand how the Combined Authority and the Leeds City Region could achieve the ambition an Energy Strategy and Delivery Plan (ESDP) has been commissioned with support from the Department for Business, Energy and Industrial Strategy (DBEIS). The ESDP is a named delivery plan of the SEP.
- 2.16 Since the last meeting a Delivery Plan Workshop was held with over 40 stakeholders from across the public, private and third sector. The aim was to identify current and future energy related projects from across the City Region. This work will inform the final Delivery Plan.
- 2.17 The final Strategy and Delivery Plan will be brought to the Green Economy Panel and this Board's next meetings for discussion and approval.

North East, Yorkshire and Humber Energy Hub

- 2.18 As part of its local energy programme, the Department for Business, Energy and Industrial Strategy (BEIS) is funding energy strategies for all Local Enterprise Partnerships (LEP). The Combined Authority is currently developing its Energy Strategy and Delivery Plan (see above). To support delivery of these strategies, and to provide much needed local capacity, BEIS are also funding five new energy hubs. The Energy Hubs (Hubs) will:
- Identify and prioritise local energy projects
 - Provide much needed capacity to LEPs and local authorities to undertake the initial stages of development for priority local energy projects and programmes (e.g. feasibility studies and business cases), up to a point where investment can be secured
 - Take a collaborative and coordinated approach across multiple LEP areas
- 2.19 To date this capacity and support has been identified as a barrier to delivering local energy projects.
- 2.20 A North East, Yorkshire and Humber (NEYH) Energy Hub (Hub) will be established covering the following LEP areas:
- Humber
 - Leeds City Region (West Yorkshire Combined Authority)
 - North East
 - Sheffield
 - Tees Valley Combined Authority
 - York, North Yorkshire and East Riding

2.21 The Combined Authority and the LEP Board have endorsed the establishment of the Hub. A new officer and project development support will be established in the City Region from Early September 2018. A launch event is planned during the new [national Greening GB Week](#) (15 October 2018).

2.22 The new Hub will:

- Explore outcomes of the LCR Energy Strategy and Delivery Plan (anticipated to be seeking approval from the Combined Authority autumn / winter 2018).
- Support a wider range of local energy projects in the City Region.
- Look at pan-LEP / regional opportunities.
- Link with the new Energy Prospectus - Leading Our Energy Future. This will articulate the energy opportunities across the combined Yorkshire LEPs areas.

2.23 The scheme will also provide an additional support service to the City Region, complementing the existing Resource Efficiency Fund and Energy Accelerator (see above). Figure 1 below outlines the new private and public sector support available to accelerate clean energy projects in the City Region.

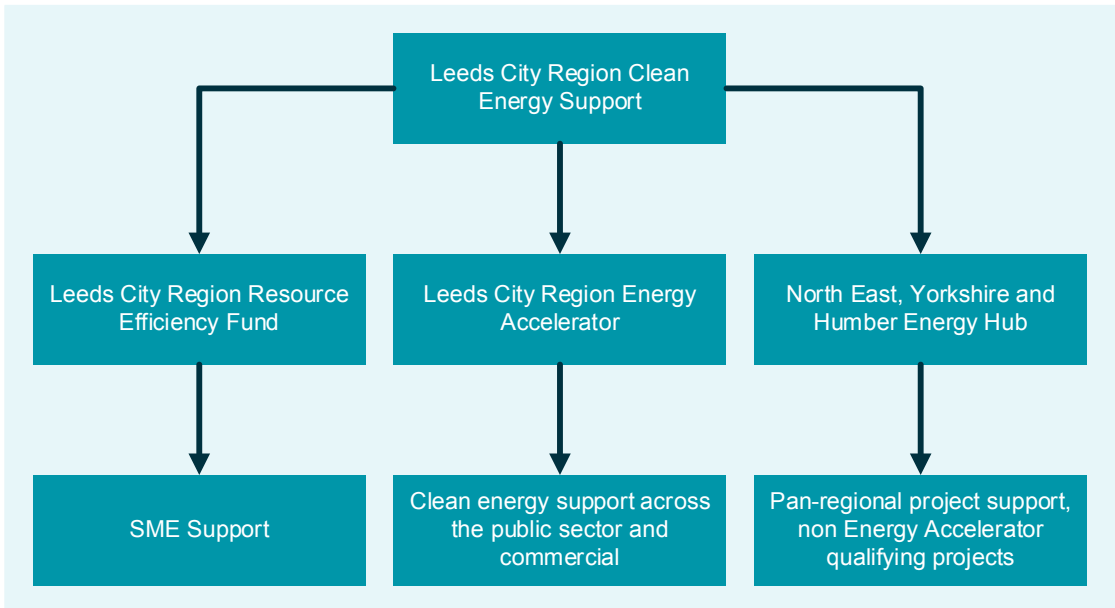


Figure 1. Current/planned range of city region support to accelerate the transition to a Zero carbon economy

3. Financial Implications

3.1 There are no implications associated with this paper.

4. Legal Implications

4.1 There are no implications associated with this paper.

5. Staffing Implications

5.1 There are no implications associated with this paper.

6. External Consultees

6.1 No external consultations have been undertaken.

7. Recommendations

7.1 That the LEP Board note and endorse the contents of the report.

8. Background Documents

8.1 None.

9. Appendices

9.1 None.

Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 20 September 2018

Subject: **Inclusive Growth and Public Policy Panel Update**

Director: Liz Hunter, Interim Director of Policy and Strategy

Author(s): Britta Berger-Voigt

1. Purpose

- 1.1 To provide an update of the first meeting of the Inclusive Growth and Public Policy Panel (IGPPP) which took place on the 4 September 2018.

2. Information

- 2.1 Governance arrangements and terms of reference of the Panel were presented, outlining that the Panel is an advisory committee to the Combined Authority which also reports to the LEP Board.
- 2.2 Membership of the Panel was discussed. The Panel is chaired by Councillor Shabir Pandor and the Combined Authority has appointed a co-opted member from each West Yorkshire partner council. The current membership of the Panel is, however, still considered provisional in terms of non-West Yorkshire local authorities, private sector and non-voting advisory members. Proposals for wider membership were discussed and individuals will be approached. Further changes may be relevant in the context of the LEP review if the geography of the LEP changes.
- 2.3 Achievements of the Inclusive Growth Project were presented to the Panel to provide information about programmes related to inclusive growth led by West Yorkshire districts.
- 2.4 A presentation on 'Business and Inclusive Employment' highlighted strong relationships between health, living standards and productivity.
- 2.5 A discussion around the future work programme of the Panel took place which will be further developed and progressed at the next meeting. Members were keen to focus on inclusive growth projects at a West Yorkshire level as these are likely to have the greatest impact. Considerable work has been done and will continue to be done on a district level. Thematic areas to be included in the forward plan include:
- TUC – 'Great Jobs'

- High quality apprenticeships in the public sector
- Getting everyone online to reduce digital exclusion

2.6 The Panel will meet quarterly, with the next meeting scheduled for 4 December 2018.

3. Financial Implications

3.1 There are no implications associated with this paper.

4. Legal Implications

4.1 There are no implications associated with this paper.

5. Staffing Implications

5.1 There are no implications associated with this paper.

6. External Consultees

6.1 No external consultations have been undertaken.

7. Recommendations

7.1 That the LEP Board note the summary of the first Panel meeting.

8. Background Documents

8.1 None.

9. Appendices

9.1 None.

Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 20 September 2018

Subject: **Investment Committee Update**

Director: Melanie Corcoran

Author(s): Lynn Cooper

1. Purpose of this report

- 1.1 To update the LEP Board with information on the progress on the West Yorkshire Combined Authority's capital programme as provided to the Investment Committee.
- 1.2 The report:
- sets out the current identified risks which could impact on the achievement of the Growth Deal 2018/19 expenditure target and sets out possible methods of mitigation;
 - provides the draft of the proposals submitted to the Cities and Local Growth Unit (CLOG) for Growth Deal impact sites; and
 - seeks endorsement of the CLOG Data Capture spreadsheet.

2. Information

- 2.1 Table 1 below summarises the capital programme for 2018/19 including the budget approved by the Combined Authority at its meeting on 1 February 2018, expenditure up to the end of quarter 1 and the outturn forecast.

Table 1

Capital Funding Programme	Budget Expenditure 2018/19	Expenditure Quarter 1 2018/19	%	Outturn Forecast 2018/19
Growth Deal (including West Yorkshire + Transport Fund)	£102,080,000	£10,998,406	10.8%	£91,525,221
Call for Projects	£14,282,000	£0	0.0%	£0
Connecting Leeds (formerly Leeds Public Transport Investment Fund)	£15,000,000	£1,174,538	7.8%	£9,934,026
Local Transport Plan Integrated Transport Block and National Productivity Investment Fund (NPIF)	£13,104,000	£1,302,000	9.9%	£13,104,000
Highways Maintenance Block / Incentive Fund	£28,403,000	£4,420,000	15.6%	£28,403,000
Pothole Action Fund	£2,231,000	£209,000	9.4%	£4,647,000
DFT Cycle City Ambition Grant (CCAG)	£4,094,000	£2,079,741	50.8%	£10,801,433
WY Cycling and Walking Fund	£1,121,000	£141,756	12.6%	£1,304,022
Ultra Low Emission Vehicles	£1,027,000	£5,318	0.5%	£977,500
WY Broadband Programme	£3,646,000	£1,247,714	34.2%	£3,262,205
Growing Places Fund	£4,550,000	£0	0.0%	£1,350,000
WYCA Corporate Projects	£5,300,000	£70,531	1.3%	£1,735,000
Warm Homes	£0	£142,000		£1,369,000
Total	£194,838,000	£21,791,004	11.2%	£168,412,407

- 2.2 The outturn forecast is the latest estimate of expenditure for 2018/19 and represents a reduction against the original forecast for the year. The aim is to increase expenditure and accelerate delivery wherever possible. However at the time the budget was submitted to the Combined Authority it was not clear how the projects within the 2017 call for projects would be funded. These will now be included within the Growth Deal programme (agreed at the Combined Authority meeting on 28 June 2018). These projects are currently progressing through the assurance process. The original expectation when the projects were agreed by the Combined Authority was that they would achieve £10.82 million in 2018/19, if this occurs it would support the programme to achieve its target spend.
- 2.3 Three programmes: Pothole Fund, Cycle City Ambition Grant and the Cycling and Walking Fund are forecast to spend more in 2018/19 than originally forecast, because the Pothole Fund received an additional allocation from the Department for Transport and the other two programmes are spending unspent funding from 2017/18. Warm Homes is a new programme which received approval after the Combined Authority in February 2018
- 2.4 This report focusses on the progress made in implementing the Growth Deal and Local Transport Capital Programmes.

Growth Deal

Expenditure

- 2.5 Table 2 below details expenditure on the Growth Deal programme in quarter 1 2018/19.

Table 2

	Target spend 2018/19	Spend Quarter 1 2018/19	% of 2018/19 target	Total Actual & Forecast Spend
Priority 1 - Business	£6,678,461	£1,274,184	19.1%	£6,692,790
Priority 2 - Skills Capital	£15,619,301	£5,648,736	36.2%	£15,619,301
Priority 3 - Environmental Infrastructure	£2,182,145	£382,487	17.5%	£2,182,145
Priority 4a - Housing and Regeneration	£6,326,179	£0	0.0%	£5,356,179
Priority 4b - West Yorkshire plus Transport Fund	£61,197,162	£3,693,000	6.0%	£51,656,458
Priority 4c - Flood Resilience	£2,618,348	£0	0.0%	£2,618,348
Priority 4d - Enterprise Zones	£5,400,000	£0	0.0%	£5,400,000
Combined Authority Programme Management	£2,000,000	£0	0.0%	£2,000,000
Total	£102,021,596	£10,998,407	10.8%	£91,525,221

- 2.6 The Growth Deal dashboards are attached as **Appendix 1 and 2**. Expenditure in quarter 1 represents almost 11% of the annual target. This compares with quarter 1 spend in previous years of 6% in 2015/16, 2% in 2016/17 and 14% in 2017/18.
- 2.7 Each quarter a return is made to CLoG through their data capture system which collates Growth Deal programme information. The summary dashboard for quarter 4 2017/18 is attached at **Appendix 3**, and was submitted to CLoG in accordance with their deadline in July 2018. CLoG has requested that this

dashboard should be endorsed by the LEP Board each quarter. However due to the deadline for turnaround of this submission in is not always possible to bring it to a meeting prior to its submission. When this occurs it will be signed off by the Combined Authority’s Section 73 officer and the LEP Chair and reported to the LEP Board at the next meeting.

- 2.8 A new ICT system, Portfolio Information Management System (PIMS) has been designed to support the performance management of the Combined Authority’s portfolio, to ensure a greater focus on project delivery and associated costs and benefits, and to support and strengthen the Leeds City Region Assurance Framework. All portfolio data has now been uploaded to PIMS and currently checks are being undertaken to validate this data to ensure that reporting is accurate. PIMS will be used for quarter 2 monitoring data and claims and the PIMS reporting dashboard will be presented to the next Investment Panel and LEP Board meetings.

Achievement of Programme Outputs and Impacts

- 2.9 The outputs for the programme are detailed below. Match funding for the programme has increased by £41 million to £383.77 million.

Table 3

Output	Target (includes Growth Deals 1, 2 and 3)	Achieved as at March 2018	%
New jobs	19,595	5,443	27.78%
Jobs safeguarded (flood resilience programme)	11,100	22,000	198.20%
Houses	2,300	254	11.04%
Public / private investment (match funding)	£1,031,000,000	£342,402,027	33.21%

- 2.10 The original Growth Deal agreement identified that in order to quantify the impacts of the programme each Local Enterprise Partnership should agree ‘impact sites’. These are areas where the impact of Growth Deal investment would be assessed through modelling and evaluation. There has been no formal guidance issued on how impact sites should be identified. A discussion paper has therefore been developed for submission to the CLoG setting out a proposal for identification of impact sites in the City Region. A draft copy is attached for consideration (**Appendix 4**). This provides details of how impacts can be captured and how double counting can be avoided. This document has been submitted to CLoG and a response is awaited.

Programme Level Risk

- 2.11 One of the main areas of risk in relation to the Growth Deal programme is the achievement of annual expenditure targets. Failure to achieve the agreed target could result in the introduction of key performance indicators and possibly a loss of grant to the programme.
- 2.12 There are currently a number of quantifiable risk areas within the 2018/19 spend profile that, if realised, would mean the programme will not achieve its annual target spend of £102.02 million. These are:

- A number of projects that are expected to proceed this year have not yet been approved through the assurance process; this represents £7.44 million on Transport Fund projects and £7.94 million on Economic Development projects.
- Economic Development projects where forecast spend has been reduced (Forge Lane originally forecast to spend £720,000 has now been replaced by Dewsbury Riverside which is not expecting any expenditure in 2018/19 and York Guildhall, where the scheme has been paused as costs are being reviewed, there is currently forecast spend of £250,000. These projects are RAG rated red in the 'in year' RAG rating).
- Reductions across the Transport Fund from forecasts agreed in May 2018 totalling £6.22 million (includes 'in year' RAG rated projects due to go into the delivery in 2018/19 where likely start dates have slipped resulting in expected spend reductions. These include: Castleford Growth Corridor, Leeds New Station Street and the Urban Traffic Management Control).
- Forecast expenditure identified as pipeline where funds have not been allocated to designated projects total £3.22 million in Housing and Regeneration and £18.49 million in the Transport Fund.

Total expenditure currently at risk: £44.28 million.

2.13 Whilst it is unlikely that all the identified risks on the Programme would be realised, a number of contingencies to mitigate against realisation of these risks have been identified or are being considered:

- Acceleration of delivery where contracts have been let. This will be subject to further discussion with project sponsors;
- Inclusion of call for projects in Growth Deal. This will be dependent both on projects progressing through the assurance process and the realisation of forecast spend. The spend forecast on these projects in 2018/19 is £10.82 million;
- On the Transport Fund an estimated forecast has been set for each project, however in response to discussions undertaken these represent worst case scenario rather than an ambitious forecast. Consequently in order to drive spend, in consultation with Chief Executives, a higher target spend is being considered for each partner council and the Combined Authority.

Local Transport Capital

(Includes Highways Maintenance Block, Incentive Fund, National Productivity Investment Fund (NPIF), Pothole Action fund, LTP Integrated Transport Block)

Integrated Transport Block

2.14 Department for Transport Integrated Transport Block (IT) is granted to the Combined Authority as the local transport authority for West Yorkshire, for delivery of smaller scale improvements to transport networks and facilities, to be spent at local discretion. IT funding is used to deliver the Local Transport

Plan (LTP) Implementation Plan 3 (IP3) programme which is the first of the five year Implementation Plans that are proposed to deliver the recently adopted West Yorkshire Transport Strategy 2040, covering the period 2017 – 2022.

- 2.15 The IP3 programme was developed with input from Transport Committee and approved by Combined Authority in April 2017 (endorsed by the Transport Committee) with a detailed programme identified for the first two years (2017/18 and 2018/19) and indicative allocations for the final three years. At approval, a mid-term review was proposed to develop the final three year programme.
- 2.16 The approach and timetable for the development of the detailed programme for years three, four and five (2019 – 2022) of IP3, endorsed by Transport Committee in July 2018, is:
- Agreement of programme shape – July – August 2018. A workshop was held on 6 August 2018 with Transport Committee members and partner council Portfolio Holders where a simplified programme shape was agreed, based around 3 core areas – One System Public Transport, Asset Renewal and Healthy Streets.
 - Detailed programme development – August – October 2018. Further input from Transport Committee members through potential workshops and formal reporting to Committee in November 2018 is proposed.
 - Formal approval by partners – with Transport Committee endorsement sought in January or March 2019, Combined Authority approval sought in February or April 2019. Individual partner approval would be expected to be sought between January and April 2019.

As part of the process of developing the next three years of the IT block programme all partners will be required to quantify the expected outputs (and anticipated contribution to Transport Strategy objectives and targets) that will be achieved from IT block spend. Whilst collation of outputs achieved by the programme used to be undertaken this no longer takes place. It is proposed to re-introduce both the setting and monitoring of targets.

- 2.17 The current LTP IT block and residual funding from the NPIF programme is spent across each partner council and the Combined Authority. This is against agreed designated projects. The LTP dashboard is attached as Appendix 5.
- 2.18 Highways Maintenance Block, Highways Incentive Fund and Pothole Action Fund and part of the NPIF funding are all paid to the partner councils directly based on Department of Transport formula. Expenditure against allocation on these programmes is monitored each quarter and reported to Chief Highways Officers. In the event of a significant underspend it would be possible to move funding between partner councils, which would be subject to an initial discussion by the Chief Highways Officers before any proposal was put

forward for consideration, firstly by the Investment Committee with any recommendations to the Combined Authority. The table below sets out current expenditure levels across each programme and partner council:

Table 4

Funding Programme	Bradford		Calderdale		Kirklees		Leeds		Wakefield	
Highways Maintenance Block / Incentive Fund	£1.049	18%	£0.925	23%	£0.838	14%	£0.550	6%	£1.058	25%
Pothole Action Fund	£0.068	7%	£0.020	3%	£0.121	13%	£0.000	0%	£0.000	0%

All figures in £ (million)

Note: the table shows spend as at the end of quarter 1 with a percentage spend of the 2018/19 funding allocation to each local authority.

3. Financial Implications

3.1 Financial implications are set out within the report.

4. Legal Implications

4.1 There are no legal implications directly arising from this report.

5 Staffing Implications

5.1 There are no staffing implications directly arising from this report.

6. External Consultees

6.1 No external consultations have been undertaken.

7. Recommendations

7.1 That the LEP Board notes the progress made in implementing the Combined Authority Capital Programme.

7.2 That the LEP Board endorses the Data Capture Growth Deal Dashboard for Quarter 4 2018/19 (attached at Appendix 3).

7.3 That the LEP Board considers the attached proposals on Impact Sites (attached as Appendix 4).

8. Background Documents

8.1 None.

9. Appendices

Appendix 1 – Growth Deal Dashboard

Appendix 2 – West Yorkshire plus Transport Fund Dashboard

Appendix 3 – CLoG Data Capture Summary

Appendix 4 – Growth Deal Impact Sites

Appendix 5 – Local Transport Capital Dashboard

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West Yorkshire Transport Fund dashboard

Figures accurate up to: June 2018

2018/19	Target	Actual
	£61,197,162	£3,693,000

Project name	Project responsibility Senior Responsible Officer	Category	Approved	Overall RAG rating	Previous years spend				In-year spend and RAG rating (2018/19)				RAG rating	Future forecast spend		TOTAL spend (actual + forecast)
					Prior Years	2015/16	2016/17	2017/18	Agreed annual allocation	Actual spend to date (Jun 2018)	Forecast spend (Jul - Mar 2019)	Total (Forecast + Actual)		2019/20	2020/21	
Transport Delivery Cost																
Priority 4b (WTF) WYCA Delivery Costs	Melanie Corcoran	Development			0	1,975,083	1,988,383	-48,624	1,377,675		1,377,675	1,377,675	GREEN	1,530,717	1,900,000	8,723,234
Transport projects Complete																
Wakefield Eastern Relief Road	Neil Rodgers	Development	37,593,000	Complete	0	0	0	2,299,000	0	0	0	0	Complete	0	0	2,299,000
		Delivery			0	15,284,765	14,435,236	3,239,685	538,960	510,004	33,000	543,004		0	0	33,502,690
Rail Parking Package - South Elmsall	Melanie Corcoran	Development	670,000	Complete	0	0	120,000	0	0	0	0	0	Complete	0	0	120,000
		Delivery			0	0	0	484,604	5,000	0	5,000	5,000		0	0	489,604
Aire Valley, Leeds Integrated Transport Package - Phase 1: Aire Valley P&R	Gary Bartlett	Development	9,597,000	Complete	0	277,672	245,500	310,000	0	0	0	0	Complete	0	0	833,172
		Delivery			0	0	5,459,649	2,314,234	175,000	41,300	137,900	179,200		0	0	7,953,083
Rail Parking Programme - Fitzwilliam	Neil Rodgers	Development	687,000	Complete	0	0	0	0	0	0	0	0	Complete	0	0	0
		Delivery			0	0	0	445,073	108,461	26,189	16,000	42,189		0	0	487,262
Transport projects at Stage 3 that are in delivery in 2017/18																
A629 Phase 1a: Jubilee Road to Free School Lane & monitoring	Mark Thompson	Development	8,354,954	GREEN	302,000	160,000	1,442,043	1,436,702	0	0	0	0	GREEN	0	0	3,340,745
		Delivery			0	0	0	2,273,570	2,304,991	642,445	1,662,546	2,304,991		163,337	0	4,741,898
Wakefield City Centre Package Phase 1 Kirkgate	Neil Rodgers	Development	5,556,000	GREEN	0	0	76,972	98,878	0	0	0	0	GREEN	0	0	175,850
		Delivery			0	0	0	3,647,458	1,282,000	1,025,930	605,907	1,631,837		0	0	5,279,295
Rail Parking Package - Hebden Bridge	Melanie Corcoran	Development	754,445	RED	0	0	0	0	0	0	0	0	AMBER	0	0	0
		Delivery			0	0	0	14,000	631,000	0	695,000	695,000		0	0	709,000
York Northern Outer Ring Road - Phase 1	Neil Ferris	Development	3,600,000	GREEN	0	0	0	0	0	0	0	0	GREEN	0	0	0
		Delivery			0	0	0	27,111	0	214,614	3,339,150	3,553,764		35,000	0	3,615,875
Transformational Projects - LCR Inclusive Growth Corridor Plans	Liz Hunter	Development	2,395,000	GREEN	0	0	0	0	0	25,132	0	25,132	GREEN	0	0	25,132
		Delivery			0	0	0	0	0	0	0	0		0	0	0
Transformational Projects - NE Calderdale Transformational Programme Study	Steven Lee	Development	400,000	GREEN	0	0	0	0	0	0	0	0	GREEN	0	0	0
		Delivery			0	0	0	0	0	0	0	0		0	0	0
Rail Parking Package - Mirfield (A)	Melanie Corcoran	Development	308,863	GREEN	0	0	0	0	0	0	0	0	GREEN	0	0	0
		Delivery			0	0	0	0	298,863	0	298,863	298,863		0	10,000	308,863
Transport projects at Stage 2 that will commence 2018/19																
Leeds Station Gateway - New Station Street	Liz Hunter	Development	166,037	AMBER RED	0	0	0	103,144	18,222	0	21,857	21,857	RED	0	0	125,001
		Delivery			0	0	0	0	1,875,630	0	410,500	410,500		0	0	410,500
Urban Traffic Management Control	Steven Lee	Development	450,000	AMBER	0	0	9,041	149,048	270,000	49,287	22,776	72,063	AMBER	0	0	230,152
		Delivery			0	0	0	0	1,190,000	0	93,224	93,224		1,200,000	1,960,000	3,253,224
Leeds ELOR and North Leeds Outer Ring Road	Gary Bartlett	Development	25,865,000	AMBER	0	929,199	1,554,106	2,095,867	1,000,000	508,500	491,500	1,000,000	GREEN	1,000,000	750,000	7,329,172
		Delivery			0	0	0	2,056,852	4,700,000	0	4,700,000	4,700,000		9,000,000	10,000,000	25,756,852
Rail Parking Package - Mytholmroyd	Melanie Corcoran	Development	0	GREEN	0	0	0	0	0	0	0	0	AMBER GREEN	0	0	0
		Delivery			0	0	0	0	1,040,000	0	1,000,000	1,000,000		2,600,000	0	3,600,000
Rail Parking Package - Shipley	Melanie Corcoran	Development	0	AMBER GREEN	0	0	0	0	0	0	0	0	GREEN	0	0	0
		Delivery			0	0	0	0	0	0	0	0		2,500,000	0	2,500,000
Rail Parking Package - Steeton and Silsden	Melanie Corcoran	Development	897,000	AMBER GREEN	0	0	0	0	0	0	0	0	GREEN	0	0	0
		Delivery			0	0	0	0	0	0	1,000,000	1,000,000		2,500,000	0	3,500,000
Rail Parking Package - Normanton	Melanie Corcoran	Development	45,000	AMBER RED	0	0	0	0	0	0	0	0	AMBER GREEN	0	0	0
		Delivery			0	0	0	0	340,000	0	0	0		1,000,000	0	1,000,000
Rail Parking Package - Garforth	Melanie Corcoran	Development	45,000	AMBER GREEN	0	0	0	0	45,000	0	45,000	45,000	AMBER RED	0	0	45,000
		Delivery			0	0	0	0	395,000	0	0	0		430,000	0	430,000
A650 Hard Ings Road - Phase 1: Hard Ings Road Only	Julian Jackson	Development	1,142,000	AMBER GREEN	0	0	0	1,005,841	404,821	140,582	0	140,582	GREEN	0	0	1,146,423
		Delivery			0	0	0	0	1,532,522	0	1,946,561	1,946,561		5,704,850	10,000	7,661,411
A65-LBIA Link Road	Gary Bartlett	Development	1,785,000	RED	210,000	8,688	266,812	365,849	667,000	63,200	603,800	667,000	GREEN	0	0	1,518,349
		Delivery			0	0	0	0	0	0	0	0		0	0	0
Castleford Station Gateway	Kate Thompson	Development	338,000	AMBER GREEN	0	0	20,329	20,598	266,083	2,195	294,878	297,073	AMBER RED	0	0	338,000
		Delivery			0	0	0	0	1,485,000	0	0	0		1,485,000	730,000	2,215,000
Glasshoughton Southern Link Road	Neil Rodgers	Development	733,000	AMBER GREEN	0	80,000	0	441,103	211,897	87,010	124,858	211,868	AMBER	0	0	732,971
		Delivery			0	0	0	0	293,103	0	165,200	165,200		4,652,618	2,824,114	7,641,932
York Northern Outer Ring Road	Neil Ferris	Development	2,448,000	GREEN	0	0	0	824,891	840,489	140,832	1,134,945	1,275,777	GREEN	463,047	214,557	2,778,272
		Delivery			0	0	0	0	3,391,511	0	0	0		6,431,015	2,463,433	8,894,448
A629 Phase 1b: Elland Wood Bottom to Jubilee Road	Mark Thomson	Development	5,670,394	GREEN	0	169,994	198,719	611,800	1,111,079	75,392	580,291	655,683	GREEN	0	0	1,636,196
		Delivery			0	0	0	0	532,154	0	932,154	932,154		13,360,762	0	14,292,916
Transport projects at Stage 2 that will commence post 2018/19																
Castleford Growth Corridor Scheme	Neil Rodgers	Development	200,000	AMBER GREEN	0	67,000	73,917	18,203	910,150	0	40,880	40,880	RED	0	0	200,000
		Delivery			0	0	0	0	720,730	0	0	0		2,129,002	8,990,000	11,119,002
Rail Park and Ride (Phase 1) Programme	Melanie Corcoran	Development	1,117,464	GREEN	58,908	108,336	409,181	395,796	160,000	7,693	165,000	172,693	GREEN	0	0	1,144,914

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		Delivery		GREEN	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rail Parking Package - Knottingley	Melanie Corcoran	Development	474,259	AMBER RED	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Delivery			0	0	0	0	1,474,000	0	0	0	0	0	0	0	0	0
Bradford Interchange Station Gateway - Phase 1	Julian Jackson	Development	180,000	GREEN	0	25,000	20,838	131,394	124,360	2,768	0	2,768	0	0	0	0	180,000	0
		Delivery			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bradford Interchange Station Gateway - Phase 2	Julian Jackson	Development	512,000	GREEN	0	0	0	6,279	360,210	4,680	342,000	346,680	0	0	0	0	145,511	498,470
		Delivery			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bradford Forster Square Station Gateway	Julian Jackson	Development	3,885,314	AMBER GREEN	0	20,000	116,717	123,040	830,360	9,544	660,500	670,044	0	0	0	0	1,641,693	2,571,494
		Delivery			0	0	0	0	0	0	0	0	0	0	0	0	6,000,000	6,000,000
A650 Tong Street	Julian Jackson	Development	185,000	AMBER RED	50,000	0	21,038	83,777	388,365	27,505	2,680	30,185	0	0	0	0	0	185,000
		Delivery			0	0	0	0	0	0	0	0	0	0	0	3,324,211	3,324,211	0
South East Bradford Access Road	Julian Jackson	Development	91,000	AMBER GREEN	0	0	0	56,041	623,640	34,959	0	34,959	0	0	0	0	0	91,000
		Delivery			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bradford to Shipley Corridor	Julian Jackson	Development	1,597,000	GREEN	0	30,000	5,011	524,541	653,285	72,119	823,000	895,119	0	0	0	0	384,663	1,839,334
		Delivery			0	0	0	0	0	0	0	0	0	0	0	665,000	665,000	0
Harrogate Road / New Line	Julian Jackson	Development	1,885,000	AMBER RED	0	146,399	15,601	1,213,153	412,440	82,933	267,354	350,287	0	0	0	0	0	1,725,440
		Delivery			0	0	0	0	0	0	0	0	0	0	0	1,871,790	1,871,790	0
Halifax Station Gateway	Mark Thomson	Development	1,108,000	AMBER	5,000	156,738	44,171	63,055	470,782	63,196	403,338	466,534	0	0	0	0	0	735,498
		Delivery			0	0	0	0	0	0	0	0	0	0	0	0	0	0
A629 Phase 2: Phase 2a, 2b and 2c	Mark Thomson	Development	3,016,000	AMBER RED	340,000	44,591	280,192	1,232,314	1,541,388	137,666	859,032	996,698	0	0	0	0	0	2,893,795
		Delivery			0	0	0	0	0	0	0	0	0	0	0	1,195,488	0	1,195,488
A641 Bradford - Huddersfield Corridor	Mark Thomson	Development	730,000	GREEN	0	0	60,829	68,572	322,813	11,323	292,435	303,758	0	0	0	0	158,242	591,401
		Delivery			0	0	0	0	0	0	0	0	0	0	0	0	0	0
A629 Phase 4: Ainley Top	Mark Thomson	Development	670,000	GREEN	0	0	51,736	62,724	388,839	65,127	306,969	372,096	0	0	0	0	0	486,556
		Delivery			0	0	0	0	0	0	0	0	0	0	0	0	0	0
A653 Leeds to Dewsbury Corridor (M2D2L)	Simon Taylor	Development	210,000	GREEN	80,000	0	59,261	30,614	140,000	13,637	26,488	40,125	0	0	0	0	0	210,000
		Delivery			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Huddersfield Station Gateway	Simon Taylor	Development	165,000	GREEN	0	27,615	22,385	2,630	100,000	10,000	90,000	100,000	0	0	0	0	0	152,630
		Delivery			0	0	0	0	0	0	0	0	0	0	0	0	0	0
M62 Junction 24a	Simon Taylor	Development	70,000	AMBER RED	0	0	12,976	31,370	15,500	0	15,500	15,500	0	0	0	0	0	59,846
		Delivery			0	0	0	0	0	0	0	0	0	0	0	0	0	0
A629 Phase 5 - Ainley Top into Huddersfield	Simon Taylor	Development	4,418,000	GREEN	0	52,000	48,000	250,762	800,000	60,694	868,164	928,858	0	0	0	0	0	1,279,620
		Delivery			0	0	0	0	0	0	0	0	0	0	0	0	0	0
A62 and A644 Corridors incorporating Cooper bridge	Simon Taylor	Development	750,000	AMBER GREEN	0	0	0	516,735	600,000	36,901	196,364	233,265	0	0	0	0	0	750,000
		Delivery			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Leeds Station Gateway - Yorkshire Hub	Liz Hunter	Development	400,000	AMBER GREEN	0	0	54,468	117,583	203,860	0	227,949	227,949	0	0	0	0	0	400,000
		Delivery			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Thorpe Park Station	Liz Hunter	Development	500,000	AMBER RED	0	0	3,382	184,675	156,998	43,610	118,668	162,278	0	0	0	0	0	350,335
		Delivery			0	0	0	0	0	0	0	0	0	0	10,000,000	10,000,000	0	0
A6110 Leeds Outer Ring Rd	Gary Bartlett	Development	268,000	AMBER GREEN	0	0	0	4,271	99,000	0	99,000	99,000	0	0	0	0	0	103,271
		Delivery			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Leeds City Centre Network and Interchange Package	Gary Bartlett	Development	3,455,000	AMBER RED	319,000	31,337	278,000	468,289	643,000	117,600	525,400	643,000	0	0	0	0	0	3,758,589
		Delivery			0	0	0	0	0	0	0	0	0	0	0	5,340,672	5,340,672	0
Wakefield City Centre Package Phase 2 Ings Road	Neil Rodgers	Development	270,000	AMBER GREEN	0	0	0	30,379	277,000	4,181	106,000	110,181	0	0	0	0	0	140,560
		Delivery			0	0	0	0	0	0	0	0	0	0	0	1,540,000	1,477,593	3,017,593
CIP - Phase 1 - Leeds Dyneley Arms	Gary Bartlett	Development	402,000	AMBER	0	0	0	127,438	274,562	7,800	266,762	274,562	0	0	0	0	0	402,000
		Delivery			0	0	0	0	275,438	0	264,800	264,800	0	0	0	1,222,562	4,283,538	5,770,900
CIP - Phase 1 - Leeds Fink Hill	Gary Bartlett	Development	115,000	AMBER	0	0	0	105,529	115,000	4,800	4,671	9,471	0	0	0	0	0	115,000
		Delivery			0	0	0	0	100,000	0	100,000	100,000	0	0	0	734,985	0	834,985
CIP - Phase 1 - Leeds Dawsons Corner	Gary Bartlett	Development	1,008,000	AMBER GREEN	0	0	0	243,698	710,000	54,100	655,900	710,000	0	0	0	0	0	1,008,000
		Delivery			0	0	0	0	0	0	0	0	0	0	5,876,000	7,115,000	12,991,000	0
CIP - Phase 1 - Kirklees Holmfirth Town Centre	Simon Taylor	Development	250,000	GREEN	0	0	0	99,358	161,500	7,573	143,069	150,642	0	0	0	0	0	250,000
		Delivery			0	0	0	0	0	0	0	0	0	0	500,000	3,800,000	4,300,000	0
CIP - Phase 1 - Kirklees Huddersfield Southern Gateways	Simon Taylor	Development	300,000	GREEN	0	0	0	167,206	225,000	42,320	90,474	132,794	0	0	0	0	0	300,000
		Delivery			0	0	0	0	0	0	0	0	0	0	0	0	0	0
CIP - Phase 1 - Kirklees A62 Smart Corridor	Simon Taylor	Development	250,000	AMBER GREEN	0	0	0	131,464	330,000	68,720	49,816	118,536	0	0	0	0	0	250,000
		Delivery			0	0	0	0	100,000	0	0	0	0	0	3,731,464	0	3,731,464	0
CIP - Phase 1 - Calderdale A58/A672 Corridor	Mark Thompson	Development	941,665	GREEN	0	0	0	72,192	99,501	2,937	95,893	98,830	0	0	0	0	0	171,022
		Delivery			0	0	0	0	0	0	0	0	0	0	0	0	0	0
CIP - Phase 1 - Calderdale A646/A6033 Corridor	Mark Thompson	Development	789,581	GREEN	0	0	0	62,382	84,555	25,061	60,823	85,884	0	0	0	0	0	148,265
		Delivery			0	0	0	0	0	0	0	0	0	0	0	0	0	0
CIP - Phase 1 - Bradford A6177 Great Horton Road / Horton Grange	Julian Jackson	Development	180,000	GREEN	0	0	0	93,646	86,356	11,890	74,464	86,354	0	0	0	0	0	180,000
		Delivery			0	0	0	0	83,284	0	0	0	0	0	410,000	2,330,160	2,740,160	0
CIP - Phase 1 - Bradford A6177 ORR/Toller Lane	Julian Jackson	Development	225,000	GREEN	0	0	0	29,472	185,690	8,057	187,471	195,528	0	0	0	0	0	225,000
		Delivery			0	0	0	0	0	0	0	0	0	0	2,225,000	6,847,000	9,072,000	0

CIP - Phase 1 - Bradford A6177 ORR/Great Horton Road	Julian Jackson	Development	180,000	AMBER GREEN	0	0	0	76,173	179,069	47,007	56,820	103,827	GREEN	0	0	180,000
		Delivery			0	0	0	0	0	0	0	0		320,000	1,585,000	1,905,000
CIP - Phase 1 - Wakefield A650 Newton Bar	Neil Rodgers	Development	75,000	AMBER GREEN	0	0	0	39,259	161,160	32,425	3,316	35,741	GREEN	0	0	75,000
		Delivery			0	0	0	0	0	0	0	0		1,204,498	1,508,680	2,713,178
CIP - Phase 1 - Wakefield Owl Lane	Neil Rodgers	Development	75,000	GREEN	0	0	0	5,516	173,120	10,366	59,118	69,484	AMBER GREEN	0	0	75,000
		Delivery			0	0	0	0	0	0	0	0		1,920,557	430,000	2,350,557
Rail Park and Ride (Phase 2) Programme	Melanie Corcoran	Development	138,000	N/A	0	0	137,997	0	0	0	0	0	N/A	0	0	137,997
		Delivery			0	0	0	0	0	0	0	0		0	0	0
Rail Park & Ride (Phase 2) - Apperley Bridge	Melanie Corcoran	Development	113,100	AMBER GREEN	0	0	0	0	113,000	0	113,100	113,100	GREEN	0	0	113,100
		Delivery			0	0	0	0	0	0	0	0		350,000	650,000	1,000,000
Rail Park & Ride (Phase 2) - Guiseley	Melanie Corcoran	Development	143,000	AMBER GREEN	0	0	0	0	143,000	0	143,000	143,000	GREEN	0	0	143,000
		Delivery			0	0	0	0	0	0	0	0		3,000,000	4,000,000	7,000,000
Rail Park & Ride (Phase 2) - Moorthorpe	Melanie Corcoran	Development	110,500	AMBER GREEN	0	0	0	0	110,500	0	110,500	110,500	GREEN	0	0	110,500
		Delivery			0	0	0	0	0	0	0	0		500,000	0	500,000
Rail Park & Ride (Phase 2) - Outwood	Melanie Corcoran	Development	110,500	AMBER GREEN	0	0	0	0	110,500	0	110,500	110,500	GREEN	0	0	110,500
		Delivery			0	0	0	0	0	0	0	0		500,000	0	500,000
Rail Parking Package - Mirfield (B)	Melanie Corcoran	Development	0	AMBER RED	0	0	0	0	0	0	0	0	GREEN	0	0	0
		Delivery			0	0	0	0	0	0	0	0		0	0	0
Calder Valley Line Elland Station	Mark Thompson	Development	834,748	GREEN	0	61,905	0	163,437	618,162	3,561	625,457	629,018	GREEN	69,254	0	923,614
		Delivery			0	0	0	0	0	0	0	0		0	0	0
Corridor Improvement Programme (formerly HEBP)	Melanie Corcoran	Development	408,000	N/A	0	0	0	8,200	100,000	0	100,000	100,000	GREEN	100,000	158,000	366,200
		Delivery			0	0	0	0	0	0	0	0		0	0	0
York Central Access	Neil Ferris	Development	2,100,000	AMBER GREEN	0	0	0	413,137	1,070,000	337,849	732,151	1,070,000	AMBER	0	0	1,483,137
		Delivery			0	0	0	0	454,000	0	0	0		6,000,000	5,577,587	11,577,587
Transformational -South Featherstone Link Rd - Feasibility Study	Neil Rodgers	Development	284,000	AMBER GREEN	0	0	0	72,468	165,380	19,855	155,677	175,532	GREEN	46,152	0	294,152
		Delivery			0	0	0	0	0	0	0	0		0	0	0
Transformational - Kirklees - North Kirklees Orbital Route - Feasibility Study	Simon Taylor	Development	248,000	GREEN	0	0	0	9,588	223,000	13,100	234,000	247,100	GREEN	0	0	256,688
		Delivery			0	0	0	0	0	0	0	0		0	0	0
Transformational -York Northern Outer Ring Road Dualling- Feasibility Study	Neil Ferris	Development	295,000	GREEN	0	0	0	10,000	295,000	2,391	282,609	285,000	GREEN	0	0	295,000
		Delivery			0	0	0	0	0	0	0	0		0	0	0
Transport projects at Stage 1 pre mandate																
Aire Valley, Leeds Integrated Transport Package – Phase 2: Highway Access		Development	0		0	0	0	0	0	0	0	0		0	0	0
		Delivery			0	0	0	0	0	0	0	0		0	0	0
Aire Valley, Leeds Integrated Transport Package – Phase 3: Motorway Junction Improvements		Development	0		0	0	0	0	0	0	0	0		0	0	0
		Delivery			0	0	0	0	0	0	0	0		0	0	0
Corridor Improvement Programme Phase 2		Development	0		0	0	0	0	0	0	0	0		0	0	0
		Delivery			0	0	0	0	0	0	0	0		0	0	0
Corridor Improvement Programme Phase 3		Development	0		0	0	0	0	0	0	0	0		0	0	0
		Delivery			0	0	0	0	0	0	0	0		0	0	0
Clifton Moor Park and Ride		Development	0		0	0	0	0	0	0	0	0		0	0	0
		Delivery			0	0	0	0	0	0	0	0		0	0	0
Other																
Historic Pre-payments		n/a						9,099,845	-4,785,869	-1,365,559	-3,420,310	-4,785,869		-4,313,976		0
Pipeline, Transfers and Pre-payments		n/a									0					
Development inc Management Costs			145,233,824		1,364,908	4,371,557	7,637,605	17,260,459	22,168,311	2,598,077	15,489,890	18,087,967		7,303,292	3,331,809	59,357,598
Delivery			-		-	15,284,765	19,894,885	14,502,587	25,326,647	2,460,482	17,405,805	19,866,286		84,422,138	93,793,778	247,764,439
Total Transport			145,233,824		1,364,908	19,656,322	27,532,491	40,862,891	42,709,089	3,693,000	29,475,385	33,168,384		87,411,454	97,125,587	307,122,036

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Growth Deal Dashboard

LEP Name: Leeds City Region LEP

This Quarter: Q4_1718

Deliverables Progress

	This Quarter	Financial Year						Total
		15-17	17-18	18-19	19-20	20-21	21-25	
Housing								
Houses Completed	204	0	204	0	0	0	-	204
Forecast for year	37	0	37	112	238	597	911	1,895
Progress towards forecast	551%	-	551%	0%	0%	0%	-	11%
Jobs								
Jobs Created	23,559	2,604	24,315	0	0	0	-	26,919
Apprenticeships Created*	17	18	23	0	0	0	-	41
Jobs including Apprenticeships	23,576	2,622	24,338	0	0	0	-	26,960
Forecast for year	3,018	2,622	3,018	1,568	1,770	2,180	22,010	33,168
Progress towards forecast	781%	100%	806%	0%	0%	0%	0%	81%
* Apprenticeships included within jobs totals prior to 2017								
Skills								
Area of new or improved floorspace (m2)	13,868	29,467	17,038	0	0	0	-	46,505
Forecast for year	975	-	975	5,200	19,698	0	0	25,873
Progress towards forecast	1422%	-	1747%	0%	0%	-	-	180%
Number of New Learners Assisted	0	0	0	0	0	0	-	0
Forecast for year	0	-	0	0	0	0	0	0
Progress towards forecast	-	-	-	-	-	-	-	-
Transport								
Length of Road Resurfaced	0	0	0	0	0	0	-	0
Length of Newly Built Road	2	0	8	0	0	0	-	8
Length New Cycle Ways	0	0	0	0	0	0	-	0



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Project RAG Ratings

Project Name	Previous Quarter Q3_1718	This Quarter Q4_1718	Project Name	Previous Quarter Q3_1718	This Quarter Q4_1718
Shipley College Mill	-	G	Bradford Odeon	G	AG
Leeds City College Printworks	-	G	Forge Lane, Kirklees	G	AR
Calderdale College	-	G	Wakefield Civic Quarter	G	G
Kirklees College	-	G	Kirklees College Learning Village	-	R
Resource Efficiency Fund	G	AG	York Guildhall	G	AG
Energy Accelerator	AR	AR	Blank code - no longer used	N/A	N/A
Wakefield Eastern Relief Road	G	G	Rail Parking Package - Shipley	G	AG
East Leeds Housing Growth - Red Hall	G	G	Rail Parking Package - Sleeton and Silsden	G	AG
East Leeds, Brownfield Sites	G	AG	Rail Parking Package - Mirfield	N/A	G
Halifax Town Centre (Northgate House)	AG	AR	Rail Parking Package - Normanton	N/A	A
York Central	AG	AG	Bradford Interchange Station Gateway	N/A	G
One City Park, Bradford	A	A	Bradford FS Station Gateway	N/A	AG
Barnsley Town Centre	G	G	A650 Tong Street	N/A	AR
Kirklees Housing sites	AG	AG	SE Bradford Access Rd	G	AG
Bath Road, Leeds	G	AG	Bradford to Shipley Corridor	G	G
Aire Valley Park and Ride	G	G	A650 Hard Ings Road - Phase 1: Hard Ings Road	G	AG
Wakefield College	-	G	Harrogate Road / New Line	G	AR
Selby College	-	G	Halifax Station Gateway	G	A
Shipley College Salt Building	-	G	A641 Bradford - Huddersfield Corridor	G	G
Bradford College	-	G	A629 Phase 1b: Elland Wood Bottom to Jubilee R	G	G
Rail Station Car Parks development costs	-	G	Blank code - no longer used	N/A	N/A
A629 Phase 1a	G	AG	Glasshoughton Southern Link Road	G	AG
A629 Phase 2	G	AR	Castleford Growth Corridor Scheme	N/A	AG
Wakefield Phase 1 Kirkgate	G	AG	CIP - Phase 1 - Leeds Fink Hill	G	A
Access to Capital Grants Programme	G	G	CIP - Phase 1 - Leeds Dyneley Arms	G	A
Huddersfield Incubation & Innovation Programme	G	G	CIP - Phase 1 - Leeds Dawsons Corner	N/A	AG
Leeds University Innovation Centre	G	G	CIP - Phase 1 - Kirklees Holmfirth Town Centre	N/A	G
Leeds College of Building	-	AG	CIP - Phase 1 - Kirklees Huddersfield Southern G	N/A	G
Leeds District Heat Network	A	G	CIP - Phase 1 - Kirklees A62 Smart Corridor	N/A	AG
			CIP - Phase 1 - Calderdale A58/A672 Corridor	G	G
			CIP - Phase 1 - Calderdale A646/A6033 Corridor	G	G
			Blank code - no longer used	N/A	N/A
			Blank code - no longer used	N/A	N/A
			WYTF Borrowing	N/A	N/A
			Housing pipeline projects	N/A	N/A
			Flood alleviation pipeline projects	N/A	N/A
			Bradford Interchange Station Gateway - Phase 2	N/A	G
			Calder Valley Line Enhancements	N/A	N/A

Growth Deal Performance: G

Area lead comments

Financial Progress

LGF Award	2015-16	2016-17	17-18	18-19	19-20	20-21	Total
LGF Outturn							
Actual	£ 49,912,909	£ 122,828,742	£ 90,532,441	£ -	£ -	£ -	£ 213,361,183
Forecast for year	£ 100,150,000	£ 122,828,742	£ 100,150,000	£ 102,084,869	£ 105,960,790	£ 85,325,599	£ 516,350,000
Progress towards forecast	50%	100%	90%	0%	0%	0%	41%
LGF Expenditure							
Actual	£ 41,534,208	£ 112,974,336	£ 82,284,182	£ -	£ -	£ -	£ 195,258,518
Forecast for year	£ 100,461,156	£ 112,974,336	£ 100,461,156	£ 104,604,143	£ 112,984,766	£ 85,325,599	£ 516,350,000
Progress towards forecast	41%	100%	82%	0%	0%	0%	38%
Non-LGF Expenditure							
Actual	£ 100,224,595	£ 172,939,958	£ 169,462,068	£ -	£ -	£ -	£ 342,402,027
Forecast for year	£ 157,894,171	£ 172,939,958	£ 157,894,171	£ 151,793,059	£ 122,872,299	£ 119,441,686	£ 724,941,174
Progress towards forecast	63%	100%	107%	0%	0%	0%	47%
Total LGF + non-LGF Expenditure							
Actual	£ 141,758,803	£ 285,914,294	£ 251,746,251	£ -	£ -	£ -	£ 537,660,545
Forecast for year	£ 258,355,327	£ 285,914,294	£ 258,355,327	£ 256,397,203	£ 235,857,065	£ 204,767,285	£ 1,241,291,174
Progress towards forecast	55%	+100%	+97%	+0%	+0%	+0%	43%

Contractual Commitments (manual entry)

	15-17	17-18	18-19	19-20	20-21	Total
Forecast	£ 204,547,946	£ 102,967,879	£ 53,351,258	£ 97,751,689	£ 57,731,228	£ 516,350,000
Actual	£ 204,547,946	£ 102,967,879	-	-	-	£ 307,515,825
Variance	+0%	+0%	-100%	-100%	-100%	-40%

Commentary

Note:
The following actions have been made to correct information previously reported:-

- Some amendments have been made to Pre 17/18 Outturn - transfers are between projects lines and delivery cost line. (See LGFLEE08, LGFLEE17, LGFLEE33 & LGFLEE44).
- £61905 added into Pre 17/18 - cost not previously reported as Growth Deal (LGFLEE128).
- £41036 deducted from WYTF delivery costs line, as these costs were already counted in Leeds Station Gateway: New Station Street (LGFLEE130).
- Spend reported for LGFLEE95 for 17/18 Q3, moved to LGFLEE137.
- Some private match was previously reported incorrectly as Public match. This has now been corrected.
- Expenditure for Northgate House (LGFLEE12) amended as spend already recorded in Pre 17/18. Spend now correctly split across Pre 17/18 & 17/18.
- Expenditure in Pre 17/18, previously reported for Barnsley Town Centre (LGFLEE15) removed as spend not until 17/18 & forecast 18/19.
- Expenditure for Leeds Flood Alleviation (LGFLEE46) moved from Pre 17/18 to 17/18.

Section 151 Officer Approved

Name: ANGEA TAYLOR
Signature: [Signature]
Date: 12/7/18

LEP Chair Approved

Name: [Signature]
Signature: [Signature]
Date: 12.7.2018

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Leeds City Region Growth Deal - Impact Sites

Discussion Paper - DRAFT

Introduction

This report identifies the proposed approach and progress to date in determining the impact sites associated with WYCA's Growth Deal projects and programmes.

The Leeds City Region is currently delivering the Growth Deal that it entered into with the UK Government in 2014. The programme is in operation for six years from 2015/16 to 2020/21.

The objective of the programme is to facilitate economic growth through the delivery of a range of projects and programmes, the achievement of this objective is monitored and measured. Whilst monitoring of direct and indirect outputs of the programme is ongoing it is important to measure the wider impact of the initiatives undertaken.

The Growth Deal states that to this end each Growth Deal area will identify the impact site for the different projects supported. The aim of this paper is to:

- set out the methodology used to identify these areas; and
- provide an insight into the impact sites for different types of projects.

Purpose

This discussion paper will:

1. Consider how best to develop the impact sites for Growth Deal projects.
2. Explore the role that GIS can play in terms of presenting, managing and gathering relevant information.
3. Consider how the process of determining and attributing impacts to projects can be consistent.
4. Identify any areas where further clarification or decisions are required.

Context

The Growth Deal involves the delivery of a series of projects and programmes. Funding is received from Government to support these schemes through the Local Growth Fund which provides a total of £513.35 million for the six year period.

The projects and programmes included in the Growth Deal support the delivery of the Leeds City Region Strategic Economic Plan and are grouped into the four priority areas of the plan, these are:

- **Priority 1 Businesses, Economic Output and Productivity** – projects include business grant schemes and support to universities to help the development of business innovation.
- **Priority 2 Employment Skills and Inclusion** – involves support for colleges to develop the training facilities.

- **Priority 3 Environment and Low Carbon** – includes support to help businesses reduce waste, energy reduction projects aimed at assisting households and developing district heat networks and other new and innovative technologies.
- **Priority 4 Place and Infrastructure** – covers housing and regeneration, transport, enterprise zone development and flood resilience.

There are currently over 100 individual projects within the programme. Numbers of projects continue to increase as individual projects within programmes of activity come forward and as projects are phased to allow early delivery.

Measuring the Benefits

Leeds City Region undertakes the measurement of the benefits achieved by delivering Growth Deal projects in three ways, these are:

1. **Direct outputs** - arise directly from the project activity and do not require further investment or activity to be achieved. These are directly reported and evidenced by the project sponsor. This may include floor-space developed, direct jobs created, length of road built.
2. **Indirect outputs** - do not result directly but are unlocked or facilitated by the delivery of the project but require further investment or activity for them to be achieved. Once again these are directly reported and evidenced by the project sponsor. An example would be homes built following creation of a new road, these would be evidenced through planning permissions and reported new builds.
3. **Wider impacts** - are the catalytic impacts that the project may deliver. They are likely to be realised in the longer term and by their nature less directly linked to the project being undertaken. These can only be evidenced through evaluation of the project and may require modelling. Identification of impact sites will allow consistent evaluation of these benefits across the programme and will take into consideration wider levels of activity rather than single projects.

Data Collection and Monitoring

The use of GIS data needs to **take account of the existing monitoring data** that is gathered for projects. This will be used within the GIS application but it is important that clarity is maintained as to how impacts are calculated and attributed to projects, that a consistent approach is used in terms of identification and reporting.

The Portfolio Information Management System (PIMS) is used to monitor the progress of projects including the achievement of planned outputs and outcomes and will be used to provide source data for the GIS tool. For some projects this will be supplemented with additional data to provide a more detailed picture of the impacts of the Growth Deal.

Impact Sites

The impact site for a project or scheme is effectively the location of where the associated outputs and impacts (listed above) would be expected to materialise. The

size of each impact site will reflect the scope and nature of the scheme being undertaken.

The development of individual impact sites will be underpinned by a clear rationale that incorporates aspects of the respective projects business case and logic model. These will be agreed with project sponsors.

Whilst impact sites will be considered individually for each scheme the type and scale of the project will be a key determinant of the scale of impact site identified. Hence, support to an individual business is likely to impact at the location where the investment is made whilst large-scale transport schemes would be expected to register impacts over a much larger impact area.

In reality the impact site for the majority of project types will effectively be the premises where the intervention is taking place. The major exceptions to this, where buffer zones are likely to apply around the location of the project intervention are:

- Transport projects
- Enterprise Zones
- Large scale housing and regeneration projects
- Flood Alleviation schemes

A key consideration in terms of determining the size of a projects impact site will be the ability to be able to attribute the impacts identified with the activity taking that has taken place. In general the larger the impact site then the greater the level of complexity in terms of attributing the identified impacts within an area to an intervention.

The Growth Deal has a focus on transport with eight transport projects already underway and a pipeline of projects being developed.

Table 1: Proposed impact areas by policy area and project

Growth Deal/SEP Policy Area	Project Examples	Proposed Impact Area
P1 – Business Support	Business Growth Programme	Location of supported facility
P1: Innovation/R&D	Nexus - University of Leeds & University of Huddersfield Innovation Project	Location of facility or building receiving investment
P2: Employment Skills & Inclusion	Skills Capital	Location of college facility
P3 – Environment & Low Carbon	Resource Efficiency Fund Energy Accelerator Programme	Location of supported facility
P4: Housing / Regeneration	Housing Enabling Programmes Site Development Enterprise Zones	Location of site / development buffer where catalytic impacts would be anticipated.
P4: Transport	WT+ Transport Scheme	Buffer areas of 250m / 500m / 1km / 1.5km
P4: Flood Resilience	Flood Alleviation Schemes Natural Flood Management	Buffer reflecting effect on likely flood impacts

The Approach

The use of Geographic Information Systems (GIS) will be a key tool in terms of supporting the identification of impact sites and in the planned monitoring and analysis that will follow. The approach to employing GIS will include:

- Where impacts occur at a specific location e.g. a supported business or skills capital college, to identify the postcode and to map the location to higher geographies as appropriate;
- The same where there is development of a specific site or transport intervention at a location;
- Drawing boundaries around specific spatial priority areas, including housing growth areas and Enterprise Zones;
- Identifying all postcodes touched by transport interventions, then identifying buffers at 250m/500m/1km and 1.5 km; and
- Identifying all employment and housing sites in close proximity to each of the impact sites that interventions help to unlock.

To capture all of these, two key tools have been developed. The first is a GIS tool that identifies all of the impact sites on a single GIS map and allows this to be interrogated and overlaid on areas as required. Geographical information, including postcode data for all Growth Deal funded projects has been collected and then mapped to a point, a specific boundary or a route (line).

The second (partly produced by the first) is a set of Excel based lookups that match postcodes and other small area geographies to investments and interventions. A spreadsheet has also been developed which explains the data we have for each project.

Currently, these tools cover direct impact sites and buffers drawn around transport interventions. The maps and Excel files also identify locations that might be influenced by more than one investment or intervention. This element will be crucial in terms of understanding the location and extent of Growth Deal projects and will inform any approach to the identification of impacts and the attribution of these to projects.

Issues

The **double counting of impacts** by either attributing them to more than one funding source or project can be a significant problem which ultimately impacts on determining the performance and value for money of a project. The process and the use of GIS will help in terms of attribution as it provides an opportunity to better understand the spatial relationship between projects and outputs and impacts.

Where projects are in receipt of more than one source of public sector funding it may be appropriate to flag these and show where outputs may be attributable to more than one funding source.

Crucial to the process of attributing impacts will remain the need for the appropriate rigour to be used in terms of attributing impacts to projects and key to this will be an

informed understanding of individual projects and the respective logic model that underpins them.

It would obviously not be appropriate to attribute all changes identified within a buffer zone and attributing impacts to projects. Transport projects and other large-scale capital projects are likely to generate their full impact in the much longer-term and so requires a long-term approach to monitoring and evaluation and brings with it additional challenges regarding attribution.

For many benefits identified it is likely to be the case that we would claim that interventions have 'contributed to' or 'enabled' the generation of impacts rather than being solely the result of a single programme or project.

There are likely to be similar issues where the **impact sites for different projects overlap** and this could be a particular issue the greater the size of the projects buffer zone. Where projects are located relatively close to each there is also the potential that further or additional outputs and impacts maybe generated through the potential interaction between them and their associated outputs and impacts.

The application of GIS will include **the existing monitoring data** that is gathered for projects. This will be used within the GIS application but it is important that clarity is maintained as to how impacts are calculated and attributed to projects and that a consistent approach is used in terms of identification and reporting.

The development of impact sites and use of GIS is anticipated to play an important role within project and **programme evaluation**. One key area will be the identification and use of comparator areas which can be used to explore the counterfactual around projects and better understand the net additionality that is attributable to projects.

Indicators and Monitoring

There are a total of 23 output types against which GD projects should report these are in seven different categories:

- Employment
- Housing
- Transport
- Skills and Education
- Commercial
- Flood Alleviation
- Business and Enterprise

For many projects the specified outputs are likely to be sufficient to demonstrate the impact of projects. However, for some projects there will be 'additional outcomes' and this approach should help to both identify and quantify these.

These indicators will form the basis for the monitoring work but discussions with local partners will help to determine the full indicator set that will be used. This will build upon local data already collected by partners and incorporate data from WYCA's economic impact assessment models - the Regional Econometric Model (REM) and

Urban Dynamic Model (UDM)). Once developed this indicator set will be shared with BEIS.

Many projects are likely to deliver a number of different outputs and outcomes and so a range of indicators will be considered against projects, examples include:

- Commercial floor space constructed (site development);
- Employment on occupied commercial premises (site development);
- Employment in supported enterprises (business or innovation support such as the Business Grants Programme);
- Increased learner numbers and Improved learner outcomes (Skills Capital);
- Number of new homes built (site development).

To capture all of these, two key tools have been developed. The first is a GIS tool that identifies all of the impact sites on a single GIS map and allows this to be interrogated and overlaid on areas as required. Geographical information, including postcode data for all Growth Deal funded projects has been collected and then mapped to a point, a specific boundary or a route (line).

The second (partly produced by the first) is a set of Excel based lookups that match postcodes and other small area geographies to investments and interventions. A spreadsheet has also been developed which explains the data we have for each project.

Currently, these tools cover direct impact sites and buffers drawn around transport interventions. The maps and Excel files also identify locations that might be influenced by more than one investment or intervention.

Reporting and Access to Information

The information gathered through project monitoring and reporting will be available electronically through an ESRI software application. This has already been constructed by the LCR LEP and the Combined Authority and will support the spatial and temporal reporting of GD outputs. This package will be made available as part of our reporting to Cities and Local Growth Unit (CLOG) and to partners engaged in the delivery of the Growth Deal.

This will be complemented by an annual report that will provide the detail of the outputs and impacts attributable to the GD projects. This will incorporate the approach to the establishment of the buffer zones (where they are applicable) to projects. As already stated these zones will vary in size according to the nature and scale of the project.

Incorporated within this annual report will be an annual assessment of the socio-economic conditions in the communities and areas near to the impact sites designated for projects. It is currently proposed that these assessments would be based on the location of the project boundary - with a 5km buffer around it. This can then be contrasted with the wider LCR geography and will also enable the comparison with similar communities where no intervention has taken place.

In terms of partners being able to access the information:

- Key partners will be provided secure access to the ESRI ArcGIS Online application. This will allow users to view the outputs resulting from the Growth Deal mapped on to the impact sites. Users will be able to view all of the relevant impact boundaries and be able to filter the different sites and buffers. Data can then be exported in the shape of a map or in an excel spreadsheet.
- This application would be maintained by Research and Intelligence function of the Combined Authority and it is proposed that this would be updated on a quarterly basis. There is also potential to incorporate analytical reporting into the application (beyond just spatial mapping) but further work will be required. A separate quarterly outputs summary will also be produced.
- The Combined Authority proposes that the monitoring of Growth Deal outputs would sit within an Annual Impact and Outcome Assessment Report at the LCR, LA and local level where the wider benefits (and their trend) would be quantified across a broader range of indicators (putting the growth deal delivery outputs in their wider local and city region context).
- This approach would allow LCR partners to clearly specify to government how the Growth Deal sites will be identified, direct outputs monitored (and analysed) within a wider local and city region monitoring and evaluation framework. This would consider these within the context of wider local and city region socio-economic change and look to incorporate aspects of inclusive growth, deprivation and wider environmental and social impacts.

Next Steps:

1. Need to agree and finalise the approach to impact sites and the associated monitoring.
2. Ensure that the approach takes account of the current SQW evaluation work and does not duplicate activity.
3. Consider how the information gathered through impact site analysis will be used to evaluate projects and programmes.
4. What role will a qualitative analysis play in the evaluation of projects and the wider Growth Deal programme?
5. Test the approach in terms of specific projects and the monitoring information that will be gathered.
6. Agree whether buffer zones of between 250m to 1.5km are the appropriate size to fully take account of the impacts of the different interventions.

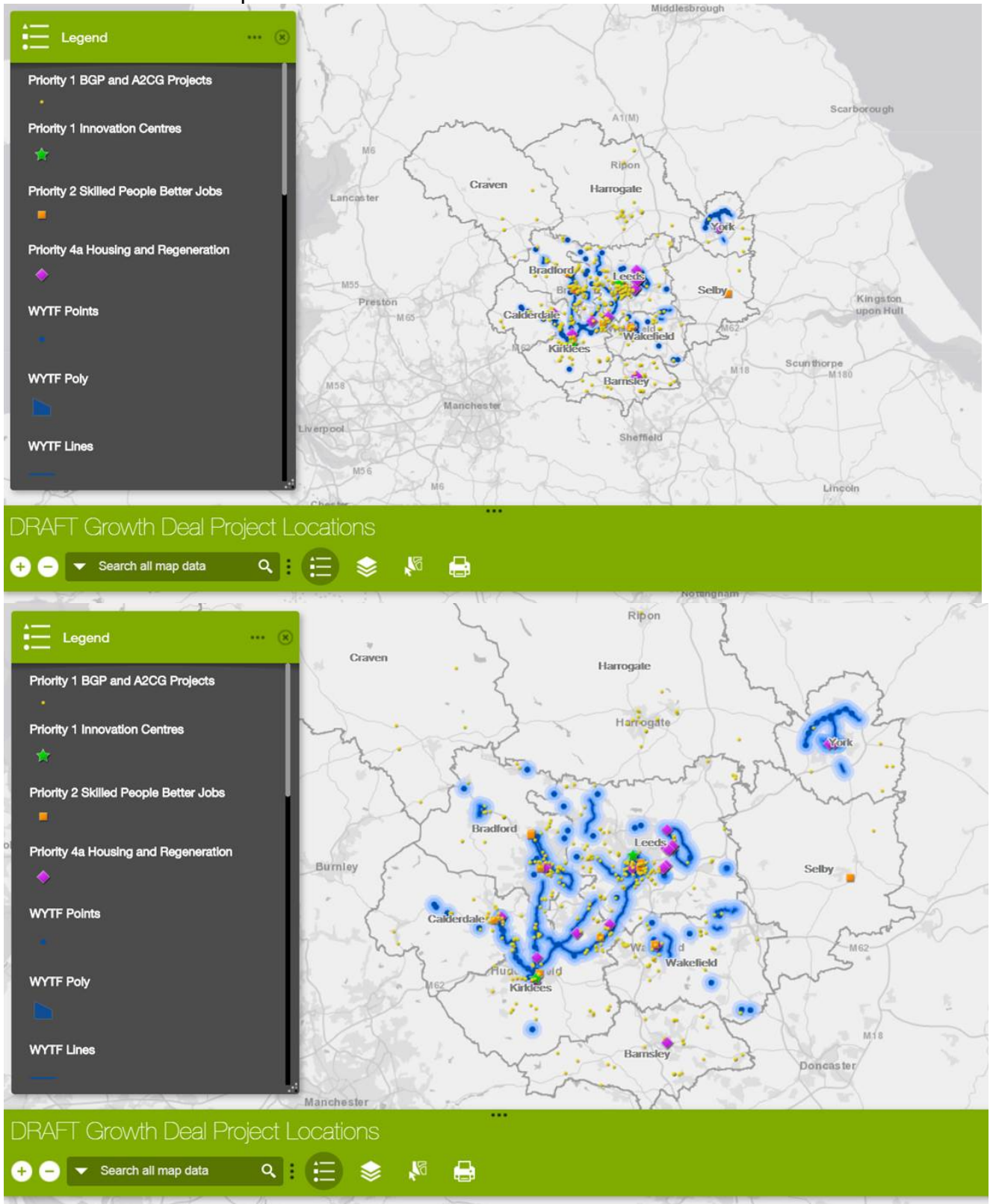
7. Determine how the different size of buffer zone will be applied to different project types.
8. Determine whether the approach enables a measure of the total impact of the Growth Deal?
9. There remains a need to better understand the cost and resource implications of the approach and determine how best value can be derived from the process.
10. Need to better understand how best changes in land values could and should be incorporated within the process and analysis.
11. Need to consider how best the process could and should be embedded within the project monitoring and evaluation plans.

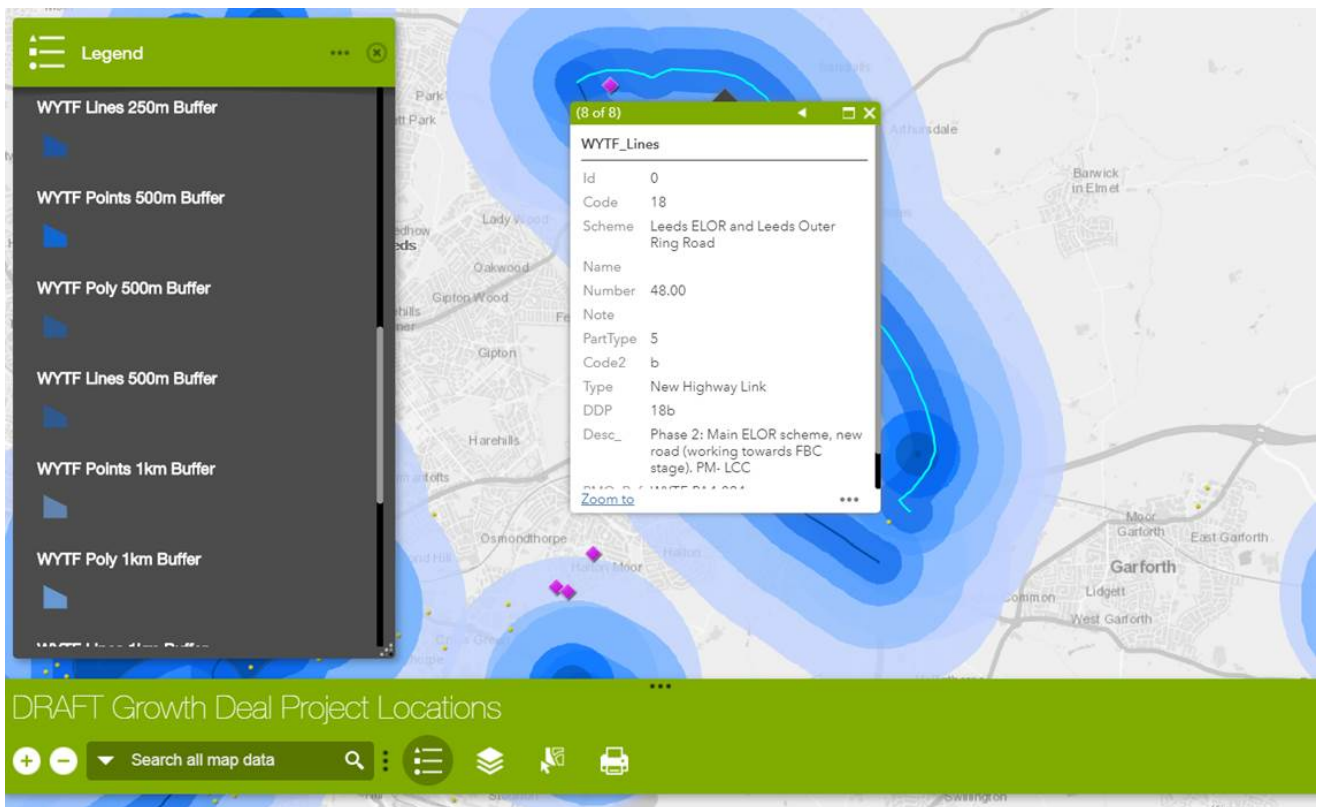
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Appendices

Appendix 1: Examples of the GIS mapping tool

The images below provide an example of the mapping tool with increasing levels of detail for the same map.





GIS layers have been prepared which present the following information:

- Enterprise Zone locations
- Spatial Priority Areas
- Priority 1 – LCR Business Grants projects
- Priority 1 – Innovation Centres
- Priority 2 – Skilled People Better Jobs
- Priority 4a – Housing and Regeneration
- Priority 4b – WY Transport Fund Projects

These have been developed into a web map and formatted into a presentation which provides the functionality to zoom, pan and click points to see further information. Access to this functionality will be made available to partners.

Appendices (to be included in the final document):

- List of Projects
- Growth Deal outputs
- Transport Fund outputs

LOCAL TRANSPORT CAPITAL DASHBOARD: LTP IT BLOCK + NPIF & LTP HM BLOCK

Figures accurate up to: Jul 2018

WYCA LTP Q1 Spend	£35,800	WYCA LTP Spend to date 17/19	£3,478,013	WYCA % of ALLOCATION	19%
DISTRICT LTP Q1 Spend	£1,205,000	DISTRICT LTP Spend to date 17/19	£7,923,000	DISTRICT % of ALLOCATION	52%

Project name	Project Manager	17/19 allocations		17/18 position				2018/19 spend / forecast				17/19 LTP Position			Future forecast		TOTAL Outturn (actual + forecast)	
		Total 17/19 IP3 allocation (LTP + match)	Total 17/19 IP3 allocation (LTP only)	17/18 Spend	LTP spend 17/18 (spend less 3rd party and NPIF)	NPIF spend 17/18	% Total spend 17/18 of total IP3 allocation	% LTP spend of LTP only IP3 allocation	Q1 actual spend	18/19 Actual spend + forecast	IP3 LTP Spend to date 18/19	Match spend 18/19	IP3 LTP Spend to date (17/19)	% LTP Spend 17/19 of LTP allocation	2019/20	2020/21		Identified risk
DISTRICT IT BLOCK + NPIF:																		
Bradford		4,557,000	3,721,000	2,503,000	1,695,000	808,000	55%	46%	179,000	2,054,000	151,000	28,000	1,846,000	50%	-	-	-	4,557,000
Calderdale		2,429,000	1,911,000	1,445,000	927,000	518,000	59%	49%	75,000	984,000	75,000	-	1,002,000	52%	-	-	-	2,429,000
Kirklees		3,758,000	2,922,000	2,011,000	1,280,000	731,000	54%	44%	474,000	1,747,000	469,000	5,000	1,749,000	60%	-	-	-	3,758,000
Leeds		5,747,000	4,553,000	3,183,000	2,239,000	944,000	55%	49%	380,000	2,564,000	380,000	-	2,619,000	58%	-	-	-	5,747,000
Wakefield		2,839,000	2,242,000	1,031,000	577,000	454,000	36%	26%	194,000	1,808,000	130,000	64,000	707,000	32%	-	-	-	2,839,000
DISTRICT Sub Total		19,330,000	15,349,000	10,173,000	6,718,000	3,455,000	53%	44%	1,302,000	9,157,000	1,205,000	97,000	7,923,000	52%	-	-	-	19,330,000
WYCA IT BLOCK + NPIF:																		
CYCLING AND WALKING																		
CCAG	Fiona Limb	23,120,000	7,100,000	4,094,977	-	-	18%	0%	2,221,497	6,442,295	-	2,221,497	-	0%	456,933	312,000	-	11,306,205
Strategic Cycle Development	Ambrose White	186,000	100,000	-	-	-	0%	0%	-	186,000	-	-	-	0%	-	-	50,000	186,000
Sub Total		23,306,000	7,200,000	4,094,977	-	-	18%	0%	2,221,497	6,628,295	-	2,221,497	-	0%	456,933	312,000	50,000	11,492,205
ONE SYSTEM PUBLIC TRANSPORT																		
Rail Strategy	James Nutter	300,000	300,000	-	-	-	0%	0%	-	250,000	-	-	-	0%	50,000	-	-	300,000
Bus Strategy	Helen Ellerton	438,000	438,000	1,650	1,650	-	0%	0%	1,215	437,565	1,215	-	2,865	1%	-	-	-	439,215
Access bus refurbishment	Fiona Whitehead	895,000	473,000	348,070	-	-	39%	0%	25,762	546,930	-	25,762	-	0%	-	-	-	895,000
Rail contingency	Kate Thompson	400,000	400,000	-	-	-	0%	0%	-	400,000	-	-	-	0%	-	-	-	400,000
Bus hotspots	Asif Abed	930,793	330,793	46,481	-	46,481	5%	0%	287	475,768	-	287	-	0%	237,536	-	200,000	759,785
Morley Public Transport Hub	Steve Butcher	150,000	150,000	93,524	93,524	-	62%	62%	1,244	36,476	1,244	-	94,768	63%	20,000	-	-	150,000
South Elmsall c/forward	Steve Butcher	18,000	18,000	14,046	14,046	-	78%	78%	-	-	-	-	14,046	78%	5,000	-	-	19,046
Bradford Northern Powerhouse Rail c/forward	Rebecca Cheung	70,000	70,000	52,381	52,381	-	75%	75%	-	10,000	-	-	52,381	75%	-	-	-	62,381
CP6 Demand and Capacity Study c/forward	Michael Sasse	61,000	50,000	60,778	49,778	-	100%	100%	-	-	-	-	49,778	100%	-	-	-	60,778
Sub Total		3,262,793	2,229,793	616,930	211,379	46,481	19%	9%	28,508	2,156,739	2,459	26,049	213,838	10%	312,536	-	200,000	3,086,205
SMART FUTURES																		
Smartcard	James Bennet	2,254,000	2,154,000	1,148,606	1,016,606	-	51%	47%	20,442	768,442	20,442	-	1,037,049	48%	436,558	-	-	2,353,607
Bus real time evolution	Peter Radcliffe	847,000	519,000	227,020	227,020	-	27%	44%	17,289	610,504	-	17,289	227,020	44%	-	-	9,476	837,525
Sub Total		3,101,000	2,673,000	1,375,627	1,243,627	-	44%	47%	37,732	1,378,947	20,442	17,289	1,264,069	47%	436,558	-	9,476	3,191,131
ASSET MANAGEMENT																		
Health & safety works at bus stations	TBC	500,000	500,000	-	-	-	0%	0%	-	500,000	-	-	-	0%	-	-	-	500,000
Bus Shelter invest to save	Phil Burton	700,000	700,000	-	-	-	0%	0%	-	700,000	-	-	-	0%	-	-	-	700,000
Bus shelter real time display renewal	Peter Ratcliffe	2,000,000	2,000,000	720,761	720,761	-	36%	36%	-	1,279,239	-	-	720,761	36%	-	-	-	2,000,000
Bus Station CCTV	Mark Auger	1,045,000	500,000	560,000	15,000	545,000	54%	3%	8,688	505,000	8,688	-	23,688	5%	-	-	-	1,065,000
Bus shelter refurbishment	Nick Fairchild	300,000	300,000	322,059	322,059	-	107%	107%	-	-	-	-	322,059	107%	-	-	-	322,059
ICT strategy infrastructure	David Gill	59,000	59,000	891	891	-	2%	2%	-	57,297	-	-	891	2%	-	-	-	58,188
ICT strategy desktop replacement	David Gill	148,000	148,000	25,871	25,871	-	17%	17%	-	121,382	-	-	25,871	17%	-	-	-	147,253
ICT strategy improved telephony	David Gill	350,000	350,000	160,190	160,190	-	46%	46%	-	161,303	-	-	160,190	46%	-	-	28,000	321,493
ICT strategy desktop virtualisation	David Gill	58,000	58,000	1,354	1,354	-	2%	2%	-	56,646	-	-	1,354	2%	-	-	-	58,000
Bradford Interchange Access (IP2 remaining 18/19)	Nick Fairchild	210,000	70,000	14,269	0	14,269	7%	0%	-	195,731	-	-	-	0%	-	-	-	195,731
LSSE	Tom Murphy	629,508	142,508	142,508	142,508	-	23%	100%	7,215	108,294	-	7,215	142,508	100%	189,353	-	-	297,647
Sub Total		5,999,508	4,827,508	1,947,902	1,388,634	559,269	32%	29%	15,903	3,684,892	8,688	7,215	1,397,321	29%	-	-	28,000	5,367,723
CROSS CUTTING THEME																		
ULEV	Asif Abed	3,180,000	1,200,000	38,713	13,713	-	1%	1%	5,318	1,247,818	-	5,318	13,713	1%	1,893,469	-	-	3,180,000
Sub Total		3,180,000	1,200,000	38,713	13,713	-	1%	1%	5,318	1,247,818	-	5,318	13,713	1%	1,893,469	-	-	3,180,000
PROGRAMME WIDE ACTIVITIES																		
Monitoring, evaluation and bid development	Steve Heckley	150,000	150,000	25,281	25,281	-	17%	17%	-	124,719	-	-	25,281	17%	150,000	150,000	-	450,000
Sub Total		150,000	150,000	25,281	25,281	-	17%	17%	-	124,719	-	-	25,281	17%	150,000	150,000	-	450,000
IP2 programme codes still open*	various	-	-	295,181	295,181	-	0%	0%	4,211	29,211	4,211	-	299,392	-	-	-	-	-
IP2 old SCIP/Smartcard codes now closed	James Bennet	-	-	189,965	189,965	-	0%	0%	-	-	-	-	189,965	-	-	-	-	-
IP2 old codes now closed	various	-	-	74,434	74,434	-	0%	0%	-	-	-	-	74,434	-	-	-	-	-
WYCA Sub Total		38,999,301	18,280,301	8,659,010	3,442,213	605,750	22%	19%	2,313,169	15,250,620	35,800	2,277,369	3,478,013	19%	3,249,496	462,000	287,476	26,767,265
TOTAL		58,329,301	33,629,301	18,832,010	10,160,213	4,060,750	32%	30%	3,615,169	24,407,620	1,240,800	2,374,369	11,401,013	34%	3,249,496	462,000	287,476	46,097,265

* 1858 IP2 Feasibility and Monitoring; 1895 LTP Scheme Development 2015-2017; 1770 Low Moor Rail Station; 1890 Toilet Charging Leeds; 1817 Rail Growth Package; 1930 Web project 2 (Smartcard proj still open re OSI)

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Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 20 September 2018

Subject: **Strengthened Local Enterprise Partnerships**

Director: Ben Still, Managing Director

Author(s): Jonathan Skinner

1. Purpose of this report

- 1.1 For the LEP Board to reach agreement on the proposed geographical footprint of the LEP, and endorse the position on leadership, capacity, accountability and performance, in order to respond to Government on the issues raised in its 'Strengthened Local Enterprise Partnerships' paper.

2. Information

Government's Review of LEPs

- 2.1 A Review of LEPs was announced in the Industrial Strategy White Paper in November 2017¹. The Review was led by cross-departmental Ministerial group: Jake Berry MP (Ministry of Housing, Communities and Local Government), Margot James MP (Department of Business, Energy and Industrial Strategy) and Andrew Jones MP (HM Treasury). Engagement with local authorities, business groups and others has been carried out through working groups (Cllr Blake (Leeds City Council) was a member of the stakeholder group).

¹"We remain firmly committed to Local Enterprise Partnerships (LEPs). From next year, the Prime Minister will chair a biannual 'Council of LEP Chairs'. This will provide an opportunity for LEP leaders to inform national policy decisions.

While LEPs across the country have played an important role in supporting local growth, feedback suggests that their performance has varied. We are reviewing the roles and responsibilities of LEPs and will bring forward reforms to leadership, governance, accountability, financial reporting and geographical boundaries. We will work with LEPs to set out a more clearly defined set of activities and objectives in early 2018. These will be driven by influential local leaders, acting as figureheads for their area's economic success, and a clear strategy for local and national partnership. We will agree and implement appropriate structures for holding LEPs to account.

We will work with LEPs to review overlapping geographies and ensure people are clear as to who is responsible for driving growth in their area. We recognise that in order to deliver their role effectively, LEPs need financial support. We will make additional financial resources available to LEPs that demonstrate ambitious levels of reform following the review"

- 2.2 The LEP Review resulted in Government publishing a paper on ‘Strengthened Local Enterprise Partnerships’ on 24 July; a summary of the Review’s proposals is attached as **Appendix 1**.
- 2.3 The LEP Network welcomed, on behalf of LEPs, the Review’s strong endorsement of LEPs as the main drivers of local growth. Roger Marsh OBE, Chair of the Leeds City Region Enterprise Partnership, has similarly welcomed the overall direction of the Review and Government’s backing of LEPs, including the Council of LEP Chairs, chaired by the Prime Minister. The formalisation and strengthening of LEPs is set in the context of their evolution from informal partnerships that bring private sector expertise into local decision-making, to bodies with more formal levers and over £9 billion of investment in economic growth.
- 2.4 The Review makes clear the opportunity for those LEPs that are able to move forward in line with its recommendations, in conjunction with strong local political leadership. As well as additional direct capacity funding to implement improvements, the further rollout of local industrial strategies and full access to the UK Shared Prosperity Fund rest on LEPs operating appropriately. At the same time the Review was published, Ministers also published a written statement² on local industrial strategies a second wave of six places and the intention that there should be local industrial strategies in the remaining areas by 2020.
- 2.5 The review specifies actions required by Government to strengthen LEPs in respect of *Leadership & Capacity* and *Accountability & Performance*. Following steps taken in January 2018 to make the Leeds City Region LEP among the most transparent in the country, it is well placed to address the new requirements. **Appendix 2** provides details of the requirements and how the LEP is positioned.

Geography

- 2.6 The most pressing aspect of the Review is to respond to the Government’s questions on geographic footprint of LEPs. The Review is very clear that LEP geographies should reflect functional and functioning economic areas, but to ensure clarity of service delivery and accountability, there should be no overlapping areas. This means the Leeds City Region geography must change if it is to comply with the letter and spirit of Government’s proposals. That said, where local economies naturally look in multiple directions, Government stresses that LEPs should develop more effective ways to coordinate across boundaries. This coordination may also apply to non-neighbouring areas (for example, if there are specialist industrial assets or clusters, like the automotive industry), and may cover a variety of scales, from

² See: <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Lords/2018-07-24/HLWS898/>

In addition to the three ‘trailblazing’ Local Industrial Strategies in the West Midlands, Greater Manchester and Cambridge-Oxford Arc, the second wave of six more Local Industrial Strategies were announced on 24 July covering LEPs in: Tees Valley, North East, Leicester and Leicestershire; West of England, Cheshire and Warrington and the Heart of the South West.

bi-lateral agreements to the NP11 consortium of LEPs across the Northern Powerhouse.

- 2.7 In the Leeds City Region, views have been sought from partners including:
- Formal discussions with LEP Panels
 - Special meeting of the Business Communications Group (6 September)
 - Discussions amongst local authority Leaders
 - LEP Chair leading discussions with business groups
 - Online engagement portal (<https://www.yourvoice.westyorks-ca.gov.uk/lepreview>), giving opportunity for businesses and others chance to comment.
- Feedback so far shows that many in the business community see this as a positive step towards giving the region a strong national voice, and building on the strengths of residents, businesses and places across a wider footprint. More detail from these ongoing discussions will be fed-back to LEP Board Members at the meeting.
- 2.8 All four LEPs in Yorkshire and The Humber have a strong track-record of working together effectively, where overlaps have not hindered progress. In considering the response to the LEP Review, that alliance has provided an opportunity to share intentions, build on existing collaboration and ensure the effective delivery of current LEP programmes is maintained.
- 2.9 The Leeds City Region and York, North Yorkshire and East Riding (YNYER) LEP have significant overlapping areas³. In each area, private and public sector partners have discussed the relative merits of a larger or smaller geography.
- 2.10 Discussions with partners point towards a preference for a merger to cover the West Yorkshire, North Yorkshire and York footprint, albeit with some points of culture and working practice to address together. This area of 3,992 sq miles covers a population of 3.1 million, where 93.8% of people who live in the area also work in the area, and the economy is worth £70.3 billion with a broad base of sector specialisms providing resilience. The rich diversity of places means that coastal, rural and urban areas can combine to be stronger together, more effectively deliver inclusive growth and be more influential with national and international partners.
- 2.11 While this would ensure strong partnership work across the vast majority of the City Region's functional economic area, it would see Barnsley operate with its neighbouring authorities in the Sheffield City Region. Strong cooperation would be retained to maintain collaboration across Yorkshire, particularly in respect of inclusive growth in Barnsley and the East Riding.
- 2.12 There are other options that the Board may wish to take account of in responding to Government on geography, which will be done via a pro-forma (template attached as **Appendix 3**):

³ City of York and the North Yorkshire districts of Craven, Harrogate and Selby. This means 44% of the YNYER LEP area 'overlaps' with the Leeds City Region.

- a) If Government softens its position on the removal of overlaps, the LEP and partners may choose to maintain the status quo, reflecting the effectiveness of current operations with neighbouring areas.
- b) Although a West Yorkshire only LEP would be viable under Government's criteria, partners have indicated the benefits of a wider footprint such as the additional influence and resilience of the area mean that is the preferred option. Working closely with business and local communities, a refreshed and larger LEP is well placed to seize the opportunities of the local industrial strategy and UK Shared Prosperity Fund to do even more to improve the lives of residents and contribute to the regional and national economy.

3. Financial Implications

- 3.1 There are no direct financial implications from this report.
- 3.2 Government has, however, been clear that increased funding for LEPs to support implementation of the new requirements is contingent on LEPs coming forward with proposals that are compliant with its Review. This relates both the direct capacity funding and potentially full access to future funding streams such as the UK Shared Prosperity Fund.

4. Legal Implications

- 4.1 There are no direct legal implications from this report.
- 4.2 Whatever preferred option is chosen and implemented will include significant legal implications which will be worked through as part of the implementation plan submission.

5. Staffing Implications

- 5.1 There are no direct staffing implications arising from this report.
- 5.2 There will be staffing implications from a new LEP being established which will be worked through as part of the implementation plan.

6. External Consultees

- 6.1 There has been significant engagement across a variety of partners, and particularly with neighbouring LEPs and Government officials. These conversations have shaped this report.
- 6.2 The LEP has also proactively sought the views of businesses and others via discussions with the Business Communications Group, advisory panels and via a public engagement opportunity.

7. Recommendations

- 7.1 That the LEP Board notes ‘Strengthened Local Enterprise Partnerships’, the culmination of Government’s LEP Review and its links with activity on local industrial strategies and the emerging UK Shared Prosperity Fund.
- 7.2 That the LEP Board endorses the City Region’s position on matters of leadership, capacity, accountability and performance as set out in Appendix 2.
- 7.3 That the LEP Board agrees its preferred option on geography, as set out in paragraph 2.10, and delegates authority to the LEP Chair to respond to the Government with that proposed geography by 28 September 2018.
- 7.4 That the LEP Board delegates authority to the LEP Chair to respond to Government, including on the full implementation plan for a new LEP by 31 October 2018.

8. Background Documents

- 8.1 There are no background documents.

9. Appendices

Appendix 1 – Government’s summary of ‘Strengthened Local Enterprise Partnerships’

Appendix 2 – Summary of LEP’s position in relation to Government requirement on leadership, capacity, accountability and performance.

Appendix 3 – Government’s pro-forma for LEPs to make proposals on LEP geography.

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STRENGTHENED LOCAL ENTERPRISE PARTNERSHIPS – SUMMARY RECOMMENDATIONS

Role and responsibilities:

Government will:

- Publish a **statement on the role and responsibilities** of LEPs. LEPs will focus on enhancing productivity. This will be achieved through the development and delivery of their Local Industrial Strategy.
- Publish a **further statement on Local Industrial Strategies** to guide locally-led work. This statement will be published over the summer. Government will aim to agree Local Industrial Strategies with all areas of England by early 2020.
- Commission an **annual economic outlook** to independently measure economic performance across all LEPs and the areas they cover.

Government will support all LEPs to:

- Develop an evidence-based **Local Industrial Strategy** that sets out a long-term economic vision for their area based on local consultation.
- Publish an **annual delivery plan and end of year report**. This will include key performance indicators to assess the impact of their Local Industrial Strategy, funding and interventions. It will inform objective assessment on LEP performance.

Leadership and organisational capacity:

Government will:

- Increase **regular dialogue** with LEPs. This includes the **Prime Minister chaired Council** announced in the Industrial Strategy, as well as a **senior official sponsor** for every LEP from across government departments.
- Actively **work with LEPs to advertise opportunities** for private sector leaders to become a LEP Chair when vacancies emerge. While these are not public appointments, we will offer to list vacancies on the Centre for Public Appointments website.
- Offer an **induction and training** programme for LEP board members and officers on working with Government. We will work with the LEP Network, Local Government Association and other professional development bodies to develop this programme.
- Provide **up to £20 million between 2018-19 and 2019-20 in additional capacity funding to support LEPs** to implement the review and to provide the strategic and analytical capability needed to develop ambitious Local Industrial Strategies.

Government will support LEPs to:

- **Consult widely and transparently** with the business community before appointing a new Chair; and introduce **defined term limits** for Chairs and Deputy Chair.
- Establish more **representative boards of a maximum of 20 persons** with the option to co-opt up to five additional board members. Our aspiration is that two-thirds of board members should be from the private sector;
- **Improve the gender balance and representation of those with protected characteristics on boards** with an aim that women make up at least one third of

Appendix 1

LEP boards by 2020 with an expectation for equal representation by 2023, and ensuring all LEP boards are representative of the businesses and communities they serve.

- **Provide a secretariat independent of local government** to support LEPs' decision making.
- **Develop a strong local evidence base of economic strengths, weaknesses and comparative advantages** within a national and international context. This will be supported by **robust evaluation of individual projects and interventions**.

Accountability and performance:

Government will:

- Continue to maintain **overall accountability for the system** of LEPs and local growth funding, and implement in full the recommendations of the Ney Review and any future recommendations that may be made as the performance of LEPs is scrutinised and reviewed.
- Assess and publish annual performance against **quantitative and qualitative measures** set out within LEP delivery plans.
- Set out within a revised National Assurance Framework a clear statement on an **escalating approach to intervention** in any instances where LEPs demonstrate that they are found to be underperforming.
- Develop with the LEP Network and LEPs a **sector-led approach to assessing and improving performance** through regular peer review.

Government will support all LEPs to:

- Have a **legal personality**, such as incorporation as companies, or mayoral combined authorities or combined authorities where they exist.
- Set out clearly and transparently the **responsibilities of the Chair, Board, Director, and Accountable Body**, including over spending decisions, appointments, and governance.
- Actively participate in relevant **local authority scrutiny panel** enquiries to ensure effective and appropriate democratic scrutiny of their investment decisions.
- Hold **annual general meetings** open to the public to attend to ensure the communities that they represent can understand and influence the economic plans for the area.

Geography:

Government will:

- Ask LEP Chairs and other local stakeholders to come forward with **considered proposals by the end of September on geographies which best reflect real functional economic areas, remove overlaps and, where appropriate, propose wider changes such as mergers**. Government will respond to these proposals in the autumn and future capacity funding will be contingent on successfully achieving this.

Appendix 1

Government will support all LEPs to:

- **Collaborate across boundaries** where interests are aligned when developing strategies and interventions to maximise their impact across their different objectives.

Mayoral combined authorities:

Government will:

- **Consolidate its engagement with mayoral combined authorities and their LEPs** with a collaborative approach to agreeing a Local Industrial Strategy.

In mayoral combined authority areas, we will work with each LEP and mayoral combined authority to:

- **Ensure LEPs have a distinctive role in setting strategy and commissioning interventions** to drive growth, jobs and private sector investment
- **Require LEPs and mayoral combined authorities to develop local agreements** which clearly set out roles and responsibilities and accountability.
- **Encourage LEPs and mayoral combined authorities to move towards coterminous geographies where appropriate** in line with the wider discussions on LEP geographies.

Implementation

Government will work with LEPs to develop revised proposals for geography by 28 September 2018 and a detailed plan for implementing the above changes before 31 October 2018. We will then work with LEPs, as above, to ensure these plans are implemented effectively across the country.

To support this, Government will publish a revised National Assurance Framework. This will clearly define what is required of each LEP to be compliant and to receive future core and growth funding.

Government will also work with the LEP Network to identify and develop case studies of good practice and commission an additional training offer that will be available to LEP Chairs and board members.

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How LEP Review points relate to the Leeds City Region

Leadership and organisational capacity

Recommendation	Position from the Leeds City Region LEP
<ul style="list-style-type: none"> Focusing the LEP's role to more clearly focus on improving productivity 	<ul style="list-style-type: none"> The LEP agreed at its 2017 awayday to focus on four key challenges, which have at their heart the City Region's significant and growing productivity deficit with international competitor City Regions. The LEP has a very clear vision of what success is, where a more productive economy drives inclusive growth. Government should seek to ensure LEPs' sharper focus on productivity is accompanied by greater local decision-making on powers and funding that will contribute to a more productive and inclusive economy.
<ul style="list-style-type: none"> More capacity, subject to "independence from local government" and contingent on Government supporting proposals about no overlapping geography. 	<ul style="list-style-type: none"> This commitment from Government is welcome. The LEP's current support arrangements – independent of any single local council – are understood to be fully compliant with the 'independence' requirement.
<ul style="list-style-type: none"> Implement an induction and training programme for LEP Board members 	<ul style="list-style-type: none"> The reasons for this are understood, and this offers the potential for the LEP Board to lead by example on the importance of investing in leadership – identified as a driver of productivity – as well as securing probity in decision-making about public expenditure.
<ul style="list-style-type: none"> LEP Board membership: <ul style="list-style-type: none"> 2/3rds private sector maximum Board size of 20 (plus up to another 5 private sector annual members) more diverse – at least 30% immediately and working towards gender balance 	<ul style="list-style-type: none"> These associated steps will strengthen private sector leadership. The recent LEP Board recruitment improved the gender and ethnicity balance on the LEP Board and has broadened the collective knowledge of the City Region's key sectors. It is proposed that composition of the LEP Board will be made compliant with Government's criteria during an implementation period linked to the Board's preferred geographic footprint.

Appendix 2

Accountability and Performance

Recommendation	Position from the Leeds City Region LEP
<ul style="list-style-type: none"> Government to agree annual Key Performance Indicators with each LEP 	<ul style="list-style-type: none"> The principle is accepted, but the LEP Board is clear that its principal accountability is to local businesses, residents and partners for improving productivity and delivering inclusive growth. In that context, it is urged that any key performance indicators are strategic, outcomes-focused and set the foundation for the LEP's annual report.
<ul style="list-style-type: none"> Each LEP must have a legal personality (incorporation) where not covered by a Combined Authority 	<ul style="list-style-type: none"> This reinforces Government's desire for LEPs to be strong, private-led partnerships independent of any single local authority. The current footprint of the LEP is different to the Combined Authority, which could remain the case in future arrangements. The LEP's relationship with the West Yorkshire Combined Authority, as its accountable body, satisfies this criteria and should be retained and developed further to ensure successful future relationships.
<ul style="list-style-type: none"> Government will publish a new national assurance framework, which should be incorporated by each LEP into local processes 	<ul style="list-style-type: none"> This is welcomed, although we await publication of a document that is proportionate and provides appropriate local flexibility to support local prioritisation delivery arrangements.
<ul style="list-style-type: none"> Hold Annual Meetings open to the public and a sector-led system of peer reviews 	<ul style="list-style-type: none"> This is supported. Following steps the LEP took in January 2018 towards becoming the most transparent in the country, all of its meetings and those of its advisory Panels are held in public (with papers published online). The sector-led peer review system, as suggested by our Chair, is welcomed as a good means of sharing good practice and giving partners' confidence in arrangements.

Appendix 3

LEP Name: Leeds City Region Enterprise Partnership

Please outline the LEP's plans to address the geography recommendations below, noting the guidance provided by the Unit. In your response, you should outline any key milestones, risks and issues.

Proposals should be submitted to LEPpolicy@communities.gsi.gov.uk **no later than 28 September 2018**, copying in your Area Lead.

Geography

Recommendation:

As Local Enterprise Partnerships are central to future economic growth, Government will ask Local Enterprise Partnership Chairs and local stakeholders to come forward with considered **proposals by the end of September on geographies which best reflect real functional economic areas, remove overlaps and, where appropriate, propose wider changes such as mergers.**

...These proposals should be submitted by 28 September 2018. Government will respond to these proposals in the autumn and future capacity funding will be contingent on successfully achieving this.

Information required in geography proposal:

All LEPs should outline their response to the Government's recommendations on geography no later than **28 September 2018**.

Those LEPs proposing geography changes should provide detail of the proposed changes. In your response you should outline why these changes would be suitable for your local area. These proposals should include timescales for the transition to different geographies. LEPs should work with the LEP Network and neighbouring LEPs to ensure a shared understanding of the geography changes being proposed exists.

For LEPs who are proposing no changes you should respond briefly outlining why no change is required. For LEPs in MCA areas, these proposals should consider the current relationship between the MCA and LEP geographies. All LEPs should aim to have revised geographies (if required), by **spring 2020**.

Appendix 3

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

Appendix 3

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

Recommendation:

We will **encourage Local Enterprise Partnerships and mayoral combined authorities to move towards coterminous boundaries where appropriate** in line with the wider discussions on Local Enterprise Partnership geographies. These proposals should be submitted by 28 September 2018. Government will respond to these proposals in the autumn and future capacity funding will be contingent on successfully achieving this.

Information required in geography proposal:

For LEPs in MCA areas, these proposals should consider the current relationship between MCA and LEP geographies.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

Appendix 3

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 20 September 2018

Subject: **Growing Places Fund reinvestment**

Director: Liz Hunter, Interim Director, Policy and Strategy

Author(s): Jonathan Skinner

1. Purpose of this report

- 1.1 To seek agreement to the future use of receipts from the Growing Places Fund in order to drive improved productivity and inclusive growth in the City Region.

2. Information

Role and purpose of the Growing Places Fund

- 2.1 The Growing Places Fund (GPF) was one of the first funding streams for LEPs, with the Leeds City Region LEP receiving £35.5 million of capital funding in 2011/12 to use for loans and grants to unlock stalled developments that had been particularly affected by credit tightening.
- 2.2 These stalled projects are not able to source full funding on the open market. This often reflects that the type of project is more complex/has greater risk than is able to be secured at viable rates. The rationale for public intervention, therefore, is that providing finance on softer terms than the market is able to offer accelerates delivery of projects, and their outputs of new business premises, jobs and homes. The implication, however, is that the programme of investments are riskier than would be seen on a commercial loan book.
- 2.3 Typical infrastructure projects have included expansion of business premises, site remediation and developing a new road junction as part of opening up a brownfield site for housing. The GPF loan often completes a package of agreed finance that is not quite sufficient for a project that is otherwise deliverable.
- 2.4 The fund is open to all businesses and organisations of any size based in or looking to invest in the city region. Applications from small and medium-sized enterprises, employing up to 250 staff, are particularly welcome.

Performance of the Growing Places Fund

- 2.5 The LEP, latterly through the Business Investment Panel, has made 15 investments using GPF capital, with the Fund typically seeking to leverage private sector investment by a ratio of 3:1. Loans offered for capital projects are on a 'no fee' basis at interest rates that comply with state aid regulations.
- 2.6 The Fund has been subject to an internal review which has identified learning points about:
- Improving clarity for businesses and intermediaries about the funding options that exist, particularly in respect of the Revolving Investment Fund, operated by local authorities.
 - Organisational capacity and expertise to operate a returnable investment fund.

Additionally, an expert external view has also been commissioned on market demand for a facility like the Growing Places Fund.

- 2.7 Of the 15 investments:
- 2 projects have been completed successfully, returning a combined capital investment of £2.95 million.
 - 2 investments will not complete, meaning £6.41 million will not return.
 - 11 projects are still underway, accounting for £20.93 million of GPF investment.
- 2.8 Loan repayments mean there is now a significant and growing balance held on account. The accountable body's section 73 officer (Angela Taylor, Combined Authority Director of Resources), has confirmed that repaid capital receipts are unencumbered. Monies that have not yet been drawn down or allocated to projects (£5.2 million as at end of June 2018) still have to be used in line with the terms of the original Government grant.
- 2.9 The table below provides a high-level projection of the profile of capital receipts at 30 June 2018 (NB. this is subject to significant change as some repayment schedules depend on asset disposals):

Capital already repaid	£7.007 million
Capital subject to original terms	£5.200 million
Capital forecast to be repaid in remainder of 2018/19	£4.000 million
Capital forecast to be repaid in 2019/20	£4.000 million
Capital forecast to be repaid in 2020/21	£2.000 million
Capital forecast to be repaid in 2021/22	£1.000 million
Capital forecast to be repaid in 2022/23	£1.000 million
Capital forecast to be repaid in 2023/24	£1.000 million
Capital forecast to be repaid at other points	£4.000 million
<u>TOTAL</u>	<u>£29.2 million</u>

- 2.10 In addition to capital receipts, £1.843 million of interest has been paid to the LEP since 2011/12 via the organisations that administer the fund – initially Leeds City Council and latterly the West Yorkshire Combined Authority. These sums have been used for general fund expenditure.
- 2.11 Together, these projects have delivered developments that would either have been unviable or not realised as quickly as they have been:
- 97 hectares of regenerated or remediated land
 - 34,621 sq. m of commercial space
 - 671 new homes built (plus a further 47 affordable homes)
 - 177 jobs and 31 apprenticeships created or safeguarded
- 2.12 In addition to the Business Investment Panel’s role in approving GPF funding, the Combined Authority’s Overview and Scrutiny Committee has also been active to learn lessons about GPF processes. This culminated in recommendations to the Combined Authority, which were agreed on 1 February 2018. Most of these changes had already been reflected in improvements to the Assurance Framework.

Context and principles

- 2.13 Since the GPF was launched in 2011/12, the policy context has evolved:
- Economic and social conditions and priorities have changed, with the City Region refreshing its strategic priorities (see para 2.14)
 - Other public grant and loan funding streams have become available, including the Revolving Investment Fund, European Structural and Regeneration Funds and Growth Deal. **Appendix 1** provides a fuller account of public loans and grants for businesses.
- 2.14 The City Region has put in place a broader policy framework to deliver inclusive growth by addressing four ‘inconvenient truths’ identified at the LEP Board’s September 2017 awayday:
- Productivity is too low and the gap with peers is growing
 - Investment in R&D is too low
 - Living standards have stalled
 - Stubborn deprivation persists
- 2.15 With significant capital receipts returned and more forecast to arrive by 2019/20, there is now the opportunity to consider future use of the funds.
- 2.16 The City Region is facing severe funding pressures as local authorities see their central funding continue to be cut whilst demands for services increase. While these unencumbered funds could be used to address these gaps, it is instead proposed that the LEP Board decides to remain true to the original purpose of the funds, because only through bold leadership to address the City Region’s structural issues will a more productive economy ensure that everyone can contribute to, and benefit from, growth.

- 2.17 In developing proposals, the following guiding principles have been used:
1. The future use of funds should fit coherently with the City Region’s wider funding landscape, minimising fragmentation and bureaucracy.
 2. These unencumbered funds should be used only when there is no other appropriate funding stream.
 3. Use of the funds should:
 - a) Maximise private and public investment in the City Region, including using as match revenue to leverage investment
 - b) Improve productivity in the City Region
 - c) Deliver inclusive growth ambitions by either:
 - generating a financial ‘return on investment’ to fund further inclusive growth activities
 - directly funding activities that improve outcomes for the most disadvantaged.

Proposed future uses

- 2.18 Based on the principles above, it is proposed that capital receipts are used as follows:
- a) To continue providing investment capital on a returnable basis. It is suggested that this should comprise the significant majority of funds (e.g. 80%) in order that it continues to generate the scale of returns to provide longevity.
 - b) To allocate funding to directly (grant) fund projects that improve outcomes for the most disadvantaged. It is suggested this should constitute a smaller proportion of GPF capital receipts (e.g. 20%).
- 2.19 The table below illustrates indicative investment amounts taking account of the projected profile of receipts and proportions above:

Year	Funds for returnable investment	Non-returnable funds to deliver inclusive growth aims
2018/19	£8.8 million	£2.2 million
2019/20	£3.2 million	£0.8 million
2020/21	£1.6 million	£0.4 million
* the remaining £7 million either doesn’t have a clear date when it is due to be repaid, or will be repaid in 2021/22 or later.		

- 2.20 Given the principle to fit coherently to the wider funding landscape, if the LEP Board supports the direction of the proposal, there needs to be consideration whether this funding enhances existing processes or is delivered via separate channels. For example, the Revolving Investment Fund (RIF) is undertaking a similar review.
- 2.21 If the LEP Board agrees to pursue returnable investment, a further report will be brought to the LEP Board setting out how this will be delivered, taking

account of a number of factors. Some of the design questions are posed below, should the LEP Board want to give initial guidance:

- What balance should be struck between generating a financial return on investment and addressing market failure to deliver outcomes like remediated land, new housing, growing and more productive businesses, etc.?
- Previously, the provision of secured loans on soft terms reflects a certain level of risk. What's an appropriate risk appetite in future?
- The fund has historically provided secured loans. What prospect is there for different types of investment, including equity?¹
- The target market for returnable investments – including whether, for example, to extend reach to Higher Education institutions.
- This approach depends on market demand. The Combined Authority has commissioned PwC to review demand and this is due to report in October 2018 and will shape the operational design of the new approach.

Other options

2.22 The table below outlines other strategic approaches considered:

Option	Potential advantages	Potential disadvantages
Use all receipts for revolving funding (subject to market demand)	<ul style="list-style-type: none"> • Invests more in supporting growth and improving productivity. 	<ul style="list-style-type: none"> • May not improve outcomes for the most disadvantaged as far or as fast.
Use all of the receipts (or a higher proportion) for inclusive growth grants	<ul style="list-style-type: none"> • Able to improve outcomes for the most disadvantaged faster and to a greater degree. 	<ul style="list-style-type: none"> • May miss opportunities to improve productivity and growth in the business base that could address the City Region's 'inconvenient truths'.

3. Financial Implications

3.1 The LEP Board's decision about the strategic direction of the Fund will have financial implications. The high-level picture is outlined in the report, with a commitment that a further report will describe the detailed financial implications based on the operationalisation of the LEP Board's decision. A number of design questions are raised in para 2.21 that will help shape that work.

4. Legal Implications

4.1 There are no direct legal implications as a result of this report.

¹ This was considered briefly by the Business Investment Panel on 9 August 2018. The emerging consensus among members was that, in general, the LEP/fund should be cautious in its approach to equity investments.

4.2 The report describes that the Accountable Body's section 73 officer is satisfied about the use of unencumbered funds once they have been repaid after being used for their original purpose.

5. Staffing Implications

5.1 There are no direction staffing implications arising from this report.

6. External Consultees

6.1 The Business Investment Panel has provided initial views on the potential of using equity investments.

7. Recommendations

7.1 That the LEP Board note the performance and position of the Growing Places Fund.

7.2 That the LEP Board agrees to use the receipts from the Growing Places Fund to support significant ongoing returnable investment and grant funding for inclusive growth projects, as described in para 2.17 of the report.

7.3 That a further report be prepared on how this direction might be operationalised, based on any advice provided in respect of the design questions in para 2.21 of the submitted report.

8. Background Documents

8.1 Report of the Scrutiny Committee to the Combined Authority (1 February 2018).

9. Appendices

Appendix 1 – Overview of the funding context

Appendix 1 – Overview of funding context

Fund	Purpose	Size of fund (spending timeframes vary)
Revolving Investment Fund	Provide repayable finance on commercial terms to developments that create jobs and growth (at least £1 million per investment)	£20 million total
Business Rates Pool	Provides additional resources, targeted at revenue projects to deliver inclusive growth, culture, housing and inward investment.	£16 million for across project themes
Business Growth Programme	Provides grants of between £10k and £250k to support capital investment by businesses leading to job creation. Inclusive growth conditions now in place and a business productivity pilot launching in September 2018.	£ 42.7 million
Strategic Inward Investment Fund	Provides grant investment of between £250k and £1m for major inward investment projects leading to significant job creation / retention in the City Region.	£12.45 million
Resource Efficiency Fund	Provides grants of up to £10k towards capital investment by businesses in measures to reduce costs and carbon emissions related to waste, water and energy use.	£930,000
Ad:Venture	Grants of up to £25k to support capital investment by start-up and early-stage businesses. The overall programme is delivered by a consortium led by Leeds City Council, with £1m contribution from the LEP.	£1 million
Access Innovation	Grants of between £5k and £100k to support the development of new products and processes where the business requires external assistance.	£1.6 million
Digital Enterprise	Small grants to support investment by businesses in digital technologies leading to productivity improvements. The funding is awarded on a competitive basis via open calls for projects, with the next one opening in October 2018. The programme is led by Leeds City Council.	£750,000
Digital Inward Investment Fund	Grants of between £5k and £50k to support new investment in the City Region from digital tech firms, with a focus on 'north-shoring'.	£1 million

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Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 20 September 2018

Subject: **Skills System Review**

Director: Sue Cooke

Author(s): Peter Glover

1. Purpose of this report

- 1.1 To update the LEP Board on plans to undertake a review of the education and skills system.

2. Information

- 2.1 There is strong evidence to show that the national skills system is not delivering at a local level for areas like the Leeds City Region. The City Region faces a skills deficit relative to other parts of the country, employers find it difficult to get the skills that they need, levels of lifelong learning are low in spite of a rapidly changing labour market and disadvantaged people often find it difficult to access opportunities. Many of these issues can be traced to an education and skills system that undervalues vocational routes, is overly centralised and is inflexible in the face of the needs of individuals and employers.
- 2.2 In response to these challenges, the Chair of the Combined Authority has requested that a radical review of the education and skills system be undertaken.
- 2.3 In summary, the key purpose of the proposed review of the education and skills system is to develop a blueprint for a reformed education and skills system that can contribute to the delivery of the outcomes needed at local level: i.e. the achievement of local economic priorities, the fulfilment of individual potential and the promotion of inclusive growth.
- 2.4 In terms of scope, current thinking is that the primary focus of the review should be on the vocational education and skills system but with consideration given to the way in which this system interacts with other key policy areas, including compulsory education and employment support services. This would provide the basis for a wide-ranging but manageable study. However,

we would welcome the views of the panel on the question of the most appropriate scope for the study.

- 2.5 The review will incorporate a forward-looking perspective, reflecting the fact that the demands placed on the system are set to increase as automation and other developments re-shape the nature of work and the skills required from workers.
- 2.6 The review will assess the current performance of the system, identify future challenges and set out a coherent blue print for a reformed system that can meet needs more effectively at both local and national level.
- 2.7 The findings of the review will be used to inform the national policy debate and to develop our thinking around the powers and responsibilities that can best be exercised at local level in a reformed skills system. The period over which the review will be undertaken is expected to be at least one year, culminating in a conference style event.
- 2.8 Consideration is currently being given to the resourcing of the review. A core project team of officers has been formed within the Combined Authority to take forward the review and a suitable budget to cover external costs is being explored. A project initiation document is currently being drawn up which will provide full detail of how the review will be implemented, including timings and resources.
- 2.9 It is intended that a high level commission, comprising employers, education and training providers, local authorities and thought leaders should oversee the review. The commission would be independently chaired by a high profile employer. Suggestions for a suitable chair and members are currently being gathered. Rashik Parmar and Mark Roberts from the Employment and Skills Panel will serve on the commission alongside the Chair of the Combined Authority.
- 2.10 Oversight of the work of the review commission would be integrated within existing governance arrangements. The chart contained within appendix 1 shows the roles of the Combined Authority, the LEP Board and the Employment and Skills Panel with regard to input and challenge and sign-off of review outputs.

3. Financial Implications

- 3.1 The review is currently unbudgeted and costs cannot be met from existing Combined Authority budgets. Financial resourcing of the review is currently being explored.

4. Legal Implications

- 4.1 There are no legal implications directly arising from this report.

5. Staffing Implications

- 5.1 A project team for the review is being formed currently comprising of existing members of staff from within the Combined Authority.

6. External Consultees

- 6.1 No external consultations have been undertaken.

7. Recommendations

- 7.1 That the LEP Board note the proposals for a review of the education and skills system.

8. Background Documents

- 8.1 None

9. Appendices

Appendix: Developing a future-ready education and skills system: a brief for a comprehensive review.

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Appendix

DEVELOPING A FUTURE-READY EDUCATION AND SKILLS SYSTEM: A BRIEF FOR A COMPREHENSIVE REVIEW

The key purpose of the proposed review is to develop a blueprint for an education and skills system that can contribute to the delivery of the outcomes needed at local level: i.e. the achievement of local economic priorities, the fulfilment of individual potential and the promotion of inclusive growth.

BACKGROUND

An effective education and skills system should address skills needs: the skills required by individuals to maximise their career potential and meet their personal aspirations; the skills needed to drive firm competitiveness and productivity; and the skills needed to boost the performance of the wider economy, whether at a local or national level.

In meeting skills needs, the system must enable people to make effective learning and career choices; it must be inclusive, providing access for all regardless of background; and it must offer value for money, both for the individuals and organisations who use the system and for taxpayers who help to fund it.

The skills system is of key concern to West Yorkshire Combined Authority because getting the right skills locally is central to its strategy to transform the local economy and to enable people to maximise their potential.

However, evidence for Leeds City Region, along with other local areas, suggests that the current skills system is not delivering:

- There is an overall deficit, relative to other parts of the UK, of the qualifications and skills needed to attract investment, support individual participation in the labour market and drive the development of the local economy. This gap is not closing fast enough.
- Employers in key parts of the economy face difficulties in recruiting the skilled people that they need to drive business growth and to raise productivity.
- At the same time many individuals are over-qualified or over-skilled for the job that they do, which represents a waste of investment and human potential.
- Outcomes for participants in the skills system, with regard to entry into employment and levels of pay post-learning, vary markedly between institutions and subjects of study.
- Participation in lifelong learning is low in spite of clear challenges arising from shifting skills requirements in the labour market. The level of job-related training sponsored by employers is in prolonged decline and much of the activity that does take place, particularly in low-paid sectors, relates to mandatory health and

safety, job-specific training etc rather than development of skills that have wider value for individuals.

- People from disadvantaged backgrounds are less likely to gain access to apprenticeships or higher education, severely restricting opportunities for social mobility. Similarly, low-skilled workers are less likely to participate in job-related training than their higher skilled counterparts.

There are a number of issues pertaining to the design and operation of the skills system which may help to explain these problems.

- The system remains centralised in terms of policy development and direction of funding – local actors have little opportunity to shape provision to ensure that it is aligned with local economic strategy and local needs.
- At the same time the system is fragmented at local level with a need for a more joined up approach between key areas like employment support and the skills system itself to provide a more coherent offer to local people and businesses.
- The funding system incentivises delivery of learning that is low cost and presents a low risk for providers but is less likely to generate economic value, in terms of driving productivity, career progression and pay.
- The publicly-funded skills offer is relatively inflexible in the face of the needs of individuals and employers and the rapidly changing requirements of the labour market. Planning horizons extend over several years whilst the rate of change in the economy is accelerating.
- Undue emphasis, in terms of esteem and resources, is given within the system to the academic pathway and the university option for skills that can best be developed via a technical / work-based route. This means that skills are not being delivered effectively or are being delivered in a way that is not cost-effective for individuals or for the public purse.

The wider context for these problems is one in which the value of public funding for some elements of the skills system, particularly adult learning via the further education system, has reduced significantly in recent years.

Part of the rationale for the devolution of powers, funding and responsibilities to local areas is to enable them to take account of the specific nature of local needs in the design of skills and other interventions. However, experience to date indicates that areas with a devolution deal have seen very limited devolution of powers, responsibilities and funding around skills and have effectively become project managers for national programmes, rather than being given the powers to design and operate a strategic approach to local skills needs.

But what kind of powers are needed by local areas and how can they best be used to address the challenges they face? How should differing local approaches be co-ordinated to avoid fragmentation and a patchwork quilt of local systems? What powers need to be retained at national level for the overall system to operate effectively?

In considering these questions it is important to bear in mind that skills policy is a shifting landscape. The government's Review of Post-18 Education and Funding is just one development that could have a significant influence on the shape of the

future skills system, whilst the development of local industrial strategies will have an important influence on skills perspectives at local level.

AIMS AND OBJECTIVES

Aim

The key purpose of the review is to develop a blueprint for an education and skills system that can contribute to the outcomes needed at local level i.e. the achievement of local economic priorities, the fulfilment of individual aspirations and the promotion of inclusive growth.

Objectives

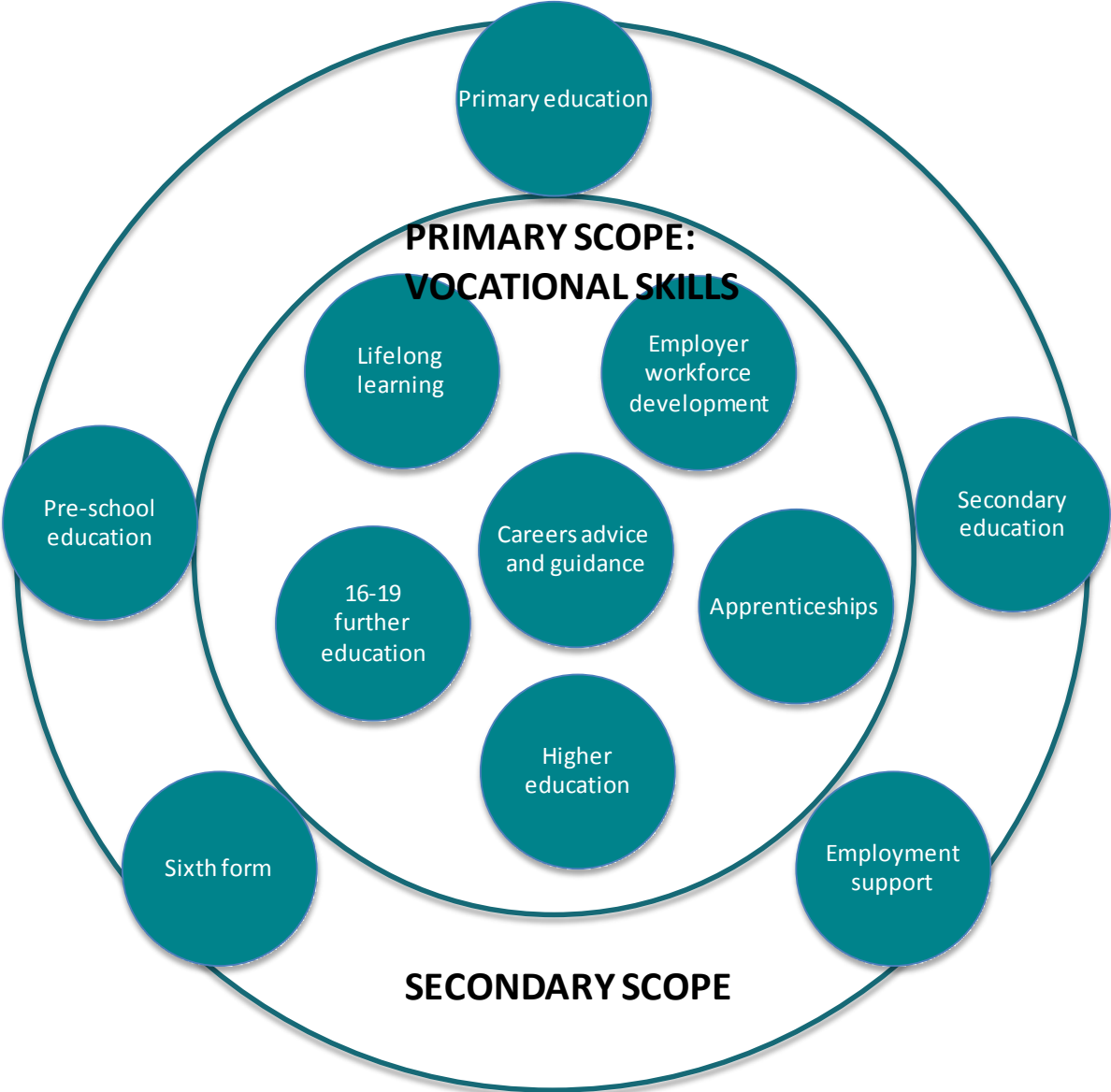
Falling out of this overall aim are several specific objectives:

- To assess how responsive / effective the education and skills system really is in terms of meeting local needs and to identify the key strengths and weaknesses of the system, including an understanding of its inclusivity, efficiency and value for money
- To set out the future economic, social and technological challenges that the system will need to respond to
- To describe the key features of a coherent and effective model for a reformed skills system that could meet needs at national and local level, now and in the future
- To achieve national profile for the review and its results with a significant impact on policy making.

SCOPE

All elements of the education and skills system are within scope of the review, insofar as they influence the supply of skills at a local level; potentially extending from early years education through to higher education and adult learning. However, the primary focus is on the elements of the system that address the skills needed for employability and the local economy i.e. vocational skills.

Figure: Scope of the review



The review needs to take a radical perspective. It should not be overly constrained by the features of the existing policy landscape but should assume that any powers necessary to implement a suitably reformed system can be made available, including through the devolution process. There is no question that a system designed from scratch today would look different to the existing system that has emerged over time. Any thinking will need to take account of the limited public resources currently available for education and skills and any recommendations that imply an increase in resources will need to be founded on a value for money case; however, flexibility can be assumed around how the available resources would be allocated in a reformed system (e.g. single pot of funding). The ability of the system to lever investment from business and individuals is also a consideration.

Our chief interest is in how the skills system plays out at a local level, with particular reference to the Leeds City Region as the key case study. However, we recognise that we cannot look at a single area in isolation, particularly since we aim to achieve

influence at national level through the review. A holistic blueprint is needed to show how local powers and responsibilities would fit within a wider national skills system, with some functions being performed at a local level and others being better suited to the national level. There is also a need for a coherent approach to localism across areas, which avoids fragmentation and inefficiency and therefore we anticipate that many aspects of a local blueprint would be transferable across local areas.

Skills at the local level cannot be divorced from wider questions around local economic strategies. Local investment in skills must be better aligned with these strategies, which incorporate objectives around attracting inward investment, supporting business growth and promoting private sector innovation and research and development. All of these areas have an important interplay with skills, potentially driving demand for particular types of skills from business, which must be met if the strategy is to succeed.

There are a number of policy areas that interlink with vocational education and skills, such as employment support, delivered primarily through DWP, and compulsory schooling. These are not within the primary scope of this review but the linkages must be considered where there are implications for the effectiveness of the skills system.

HOW THE INFORMATION WILL BE USED

Through this review we aim to develop key insights that will have an impact on thinking at both the national and local level. In more specific terms the review will be used:

- To contribute to the wider policy debate around the education and skills system in a way that involves the full range of stakeholders and influences policy thinking at national level.
- To provide a blue-print / vision for devolution of skills powers that local areas can aim towards in their negotiations with national government and in their discussions with local stakeholders. This review will provide us with a clear policy position regarding the things that can best be done locally in a wider skills system that maximises economic and social benefits and provides strong value for money.

The intention is to achieve a high profile for the review with a widespread impact on policy thinking.

KEY THEMES WITHIN THE REVIEW

This is a complex, multi-faceted brief and it is important that we take account of key themes relating to the workings of the system. Suggested themes are provided below. In addition, consideration will need to be given to the key policy components that are within scope, including careers guidance, apprenticeships, lifelong learning, higher education etc but without being constrained by existing policy demarcations.

Supporting effective choice - How can individuals of all ages be supported to make effective choices about career aspirations and then to make appropriate decisions about learning pathways and suitable learning providers based on high quality local evidence?

Responsive and dynamic provision - How can we ensure that learning is based on up to date and relevant content and rendered via flexible delivery modes in order to minimise barriers and maximise participation in the system by employers and individuals?

Making the link with local needs and local strategies

How can we ensure that local education and skills provision is tailored to local needs and contributes appropriately to local economic strategies?

Funding

How can we allocate funding in a way that prioritises the social and economic outcomes that we wish to achieve but is practical and efficient to implement and ensures the financial sustainability of providers?

Co-ordination with other local areas and with the national system

Which functions can best be undertaken at local level and which should be delivered by national bodies? What is the overall blueprint for skills devolution that will offer necessary consistency and avoid fragmentation and a “postcode lottery” of local provision?

Inclusion

How do we ensure that a balance is maintained between supporting the needs of the economy and promoting inclusion and accessibility of provision?

Efficient administration

How can administration of the system be undertaken in the most efficient way possible, minimising overheads and maximising the resources used to support learning?

Performance management

How do we monitor and evaluate the performance of the system in order to inform allocation of funding and commissioning of provision, ensuring that lessons are learnt regarding how best to achieve our economic and social objectives.

APPROACH

The proposed approach to addressing the review objectives would include:

- A formal call for evidence
- Literature review
- Data analysis
- Review of emerging practice

- Expert advice commissioned from leading experts in the field
- Key informant interviews
- Workshops to develop and test proposals for system reform.

GOVERNANCE OF THE REVIEW

It is intended that a high level commission, comprising employers, education and training providers, local authorities and thought leaders should oversee the review. The commission would be independently chaired by a high profile employer with national profile. Suggestions for a suitable chair and members are currently being evaluated. The proposed composition of the commission would be as follows:

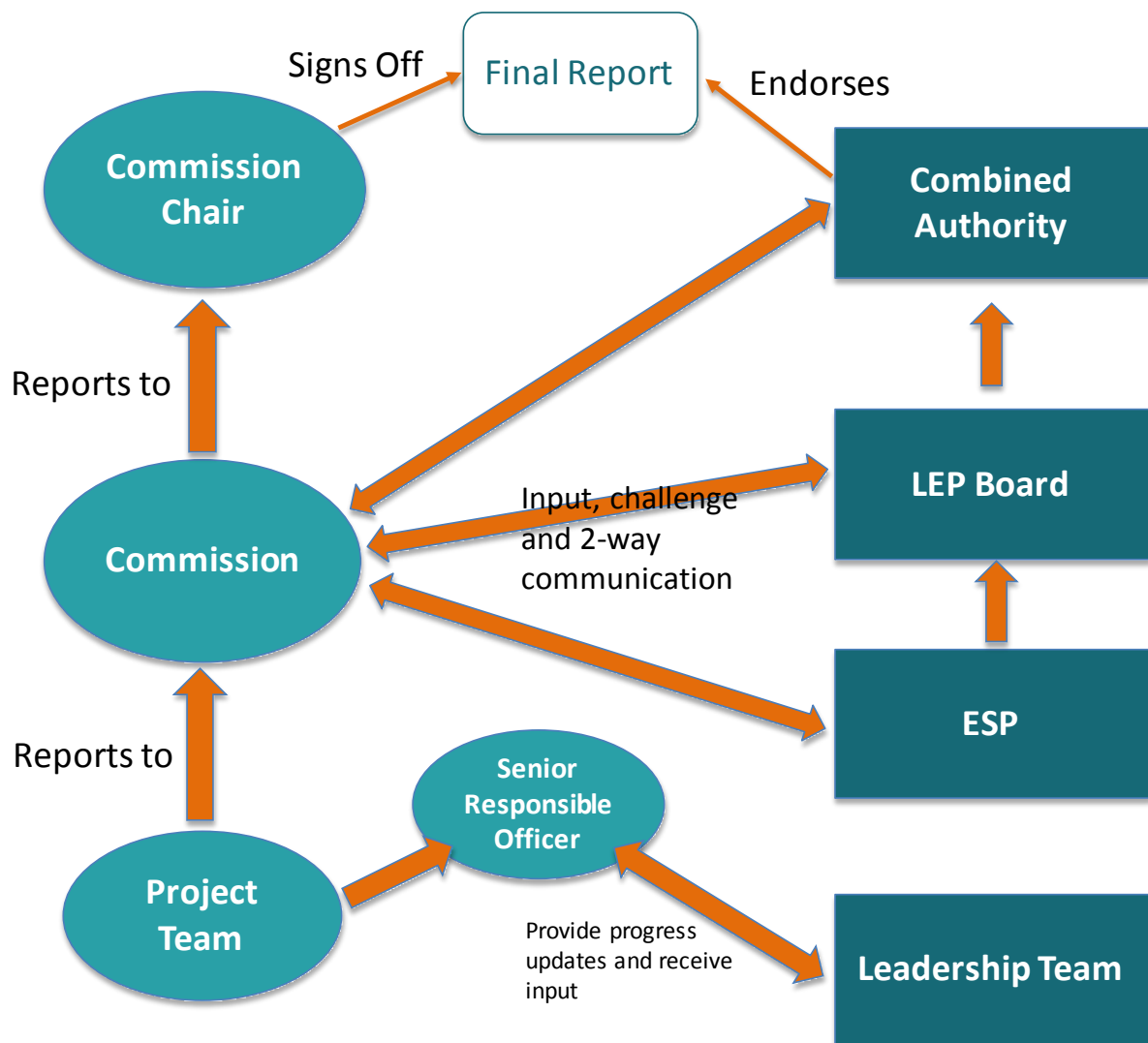
Core members:

- 3 or more employers (plus chair)
- 1 employer representative body (such as CBI)
- 1 leading trade unionist
- 3 leaders from education and training sector
- 3 representatives of leading think tanks (acting on pro bono basis)
- 2 policy representatives from national government
- 1 learner representative
- 2 representatives from local government, regional organisations (e.g. LGA, Northern Powerhouse)

In addition to the core membership commission would include two to three advisory members (academics, technical experts) who would be selected through an appropriate procurement process.

Oversight of the work of the review commission would be integrated within existing governance arrangements. The chart below shows the roles of the Combined Authority, the LEP Board and the Employment and Skills Panel with regard to input and challenge and sign-off of review outputs.

Governance arrangements for the Review Commission



DELIVERABLES

This is an ambitious review which will need to be undertaken as a multi-stage project. A detailed project plan will be prepared as an initial step. Deliverables will then be produced at each stage, as follows:

- Stage 1: Mapping the existing system and assessment of its performance and strengths and weaknesses. High level vision of what we want a reformed system to provide.
- Stage 2: Lessons learnt from across the system and proposals for improvement to the skills system.
- Stage 3: Final report setting out a proposed model for a reformed skills system, with supporting evidence.

Effective dissemination and communication will be critical to achieving the desired profile and impact for the review and this will be set out in detail in the project plan.

One potential deliverable that would contribute to this is a workshop / conference that would be used to set out our proposals for a reformed system. This could aim to attract national as well as local stakeholders.

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Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 20 September 2018

Subject: **Regional Entrepreneurship Acceleration Program – Links to the Industrial Strategy**

Director: Liz Hunter, Interim Director of Policy and Strategy

Author(s): Sarah Bowes

1. Purpose of this report

- 1.1 To update the LEP Board on the outcome of the application by the University of Leeds into the MIT REAP programme and confirm the participation of the LEP in the Leeds City Region delegation to support the development of the City Region's Local Inclusive Industrial Strategy (LIIS).

2. Information

- 2.1 The MIT Regional Entrepreneurship Acceleration Program (MIT REAP) provides opportunities for communities around the world to engage with MIT in an evidence-based, practical approach to strengthening innovation ecosystems. Projects typically focus on increasing expertise and capacity across key players (using best practice from MIT) and develop interventions to strengthen the innovation support system available across an area.
- 2.2 Earlier this year, in discussion with the LEP, West Yorkshire Combined Authority and others, the University of Leeds submitted an exploratory application into the programme which in July, was confirmed as having been successful (the first outside of London).
- 2.3 Low levels of business investment in innovation and R&D have been identified as one of the four key challenges for Leeds City Region. LEP participation in this programme will provide an unrivalled opportunity to access international best practice and learning to support the development of the Local Inclusive Industrial Strategy, thereby setting us apart from other Local Industrial Strategies also in development.
- 2.4 The two year programme, run by the Sloan School of Management at MIT, will start in October 2018. Other teams in the 2018 cohort include Campania (Italy), Central Denmark, Guangzhou (China), Guayaquil (Ecuador), Kentucky (USA), Monterrey (Mexico), Oslo and Akershus (Norway) and Sydney (Australia).

2.5 The Leeds team includes leaders from the University of Leeds (Lisa Roberts), Nexus (Martin Stow), the Leeds City Region Enterprise Partnership (LEP) and West Yorkshire Combined Authority (Roger Marsh), Leeds City Council (Tom Riordan), KPMG (Justine Andrew), Arup (Tom Bridges), Leeds Academic Health Partnership (Jo-Anne Wass), and entrepreneurs Adam Beaumont and Ben Ziff.

2.6 Five challenges have been identified by the Leeds team which will be the focus of the programme over the next 2 years:

- Low productivity levels
- Employment below the national average
- Proportion of people with higher level skills below the national average
- Low industry investment in R&D
- Transport infrastructure issues

3. Financial Implications

3.1 The programme is part of the development work for the LIIS and therefore the associated costs (£15k max) to participate in the programme (travel and subsistence costs for a LEP delegate) will need to be met from this budget.

4. Legal Implications

4.1 There are no legal implications directly arising from this report.

5. External Consultees

5.1 Discussions have taken place with Knowledge Transfer Directors and with University Vice Chancellors at their last meeting. BIG Panel has also been briefed on the opportunity.

6. Recommendations

6.1 That the LEP Board supports participation in the above programme and receives regular reports on the potential application of thought leadership insights, gained from both MIT and other global delegations, to the Leeds City Region and in particular the development of the Local Inclusive Industrial Strategy.

7. Background Documents

None.

8. Appendices

None.



Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 20 September 2018

Subject: Channel 4

Director(s): Sue Cooke, Executive Head of Economic Services

Author(s): David Shepherd, Head of Trade and Investment

1. Purpose of this report

- 1.1 To update the LEP Board on this significant inward investment opportunity and seek support for the proposal to attract the National HQ to Leeds City Region.

2. Information

- 2.1 Earlier in 2018 Channel 4 launched its '4 All the UK' strategy which involves the establishment of a new National HQ and two new Creative Hubs in the nations and regions. Leeds City Region submitted a pitch for the Channel 4 National HQ to be in our City Region. This represents a significant opportunity to expand the creative and digital industries, especially the TV, film and screen industries and would generate significant opportunities for talented individuals and independent production companies to flourish in the North.
- 2.2 The LEP, local authorities and regional industry bodies have collaborated closely to develop a compelling offer to Channel 4, engaging with many creative artists, screenwriters, education institutions, film/TV sector professionals and the wider digital community who have lent support to the partnership approach. To support the Leeds City Region pitch the #4Sparks social media campaign was created. It has served as a tool for communicating the main themes of the Leeds City Region pitch, receiving much support from a variety of stakeholders and is now a fundamental component of our pitch.
- 2.3 Following a strong collaborative bid and site visit, Leeds has been shortlisted by Channel 4 for the location of their new National HQ, alongside Birmingham and Manchester.
- 2.4 During August, Channel 4 has been holding advanced negotiations with all of the shortlisted regions and has participated in visits to candidate cities to meet with members of the independent production sector, education providers and community groups from across the region.
- 2.5 Negotiations are now at an advanced stage to clarify and confirm the details within the proposals made by Leeds City Region partners, as set out in

Appendix 1 (Exempt), and a final decision by Channel 4 is expected this October.

3. Financial Implications

- 3.1 Financial support for this project is anticipated from a number of sources including those set out in Appendix 1 (Exempt).

4. Legal Implications

- 4.1 There is a strict non-disclosure agreement in place which covers the terms of the negotiation. If the bid is successful further legal support will be required to prepare the necessary documentation and assess the associated issues.
- 4.2 The information contained in Appendix 1 is exempt under paragraph 3, Part 1 Section B of the Access to Information Annex to the LEP Board Procedure Rules as it contains information relating to the financial or business affairs of any person (including the LEP, the Combined Authority or any other local authority). It is considered that the public interest in maintaining the content of the appendix as exempt outweighs the public interest in disclosing the information as publication at this time could prejudice current and future decision making.

5. Staffing Implications

- 5.1 Staffing implications are being considered and will be determined by the nature of the overall investment.

6. External Consultees

- 6.1 No external consultations have been undertaken, however there has been extensive engagement of partners and industry representatives throughout the bid process, as set out earlier in this report.

7. Recommendations

- 7.1 That the LEP Board endorses the Leeds City Region bid to attract the Channel 4 National HQ including the proposed support set out in Appendix 1 (Exempt).

8. Background Documents

None

9. Appendices

Appendix 1 (Exempt) – Summary of Leeds City Region proposal



Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 20 September 2018

Subject: **Northern Powerhouse (NP) 11**

Director: Liz Hunter, Interim Director, Policy Strategy and Communications

Author(s): Jo Barham

1. Purpose of this report

- 1.1 To update the LEP Board on the emerging priorities of the Northern Powerhouse (NP)11 and the outcomes of the first meeting of the group (4 September, 2018).

2. Information

- 2.1 NP11 is an influential new body to support the Government's ambitions for the Northern Powerhouse. NP11 will provide 'one voice' representing each of the Northern regions acting as a modern day 'Council for the North' as articulated by Northern Powerhouse Minister Jake Berry MP on its launch. The body will work with and advise the Government on issues such as how to increase productivity and overcome regional disparities in economic growth and creating an economy that works for all. Roger Marsh OBE, has been appointed as Chair.
- 2.2 The NP11 will focus on a small number of areas where joint activity across the North can improve economic performance. The Department for Communities and Local Government has provided funding of £500,000 to be spent by the body over two years. Principles for budget allocation to be considered include projects with the greatest scope for policy impact and added value, activity being most appropriate for delivery at a pan-northern level, and projects avoiding duplication of existing groups and bodies.
- 2.3 Three areas of activity for NP11 were prioritised following a discussion with Northern Powerhouse Minister Jake Berry MP:
- Supply Chains
 - Energy
 - Growth Hubs

2.4 The group has also agreed to look at opportunities for joint working on innovation and place.

2.5 Officers of the LEPs have been drafting proposals which were presented to LEP Chairs at the first meeting of the NP11. Further details of project activity are set out in the table below:

Area for Collaboration	Lead LEP	Project Details
Supply Chains	Leeds City Region	<p>The ambition for the supply chains project is for lower tier suppliers based in the North to successfully bid to supply Northern Original Equipment Manufacturers (OEMs). The work will incorporate the following areas:</p> <ul style="list-style-type: none"> • Detailed supply chain intelligence, including using data analytics to map the supply chains of 30 OEMs, with analysis of Brexit implications (e.g. rules of origin). • Bold policy leadership to understand and influence the factors that will affect how supply chains develop, including improving innovation and productivity and encouraging more effective diffusion of best practice • A programme of partnering and engagement to test emerging proposals and support partners to supply growth through supply chains.
Energy	Tees Valley	<p>This work will build upon ongoing development activity being undertaken through the BEIS funded Energy Hubs. The Energy Hubs aim to enable LEPs to play a leading role in delivering low-carbon economic growth by supporting the capacity to deliver energy projects. There are two Energy Hubs in the North - the North East, Yorkshire and the Humber Energy Hub, and the North West Energy Hub. Building on this work, there is significant potential at a pan-Northern level for collaboration which will:</p> <ul style="list-style-type: none"> • Open up economic benefits for Clean Growth • Unlock the so-called 'energy trilemma' for the UK (ensuring security of supply, managing cost of access, while decarbonising the energy system) • Support the development of a whole systems approach • To realise scale and attract private investment and Government support for innovation. <p>Further scoping work is required to establish where activity at a pan-northern level will add value to the Energy Hubs along with other activity being undertaken at a regional and local level. A work plan will be established setting out the case to drive pan- Northern opportunities in a range of areas. Opportunities for</p>

		development (including crossover with other NP11 work streams) include: <ul style="list-style-type: none"> • Grid capacity • Hydrogen • Supply Chains • Innovation • The Circular Economy.
Growth Hubs	North East	This work will build on and deepen the work of the Northern Powerhouse (NP) Growth Hub network. This will be achieved through the creation of a Growth Hub Centre of Excellence which will include: <ul style="list-style-type: none"> • A development programme for frontline deliverers • A digital platform designed to share best practice • Coordinated communications and promotional activity • A Growth Hub Toolkit will be developed and made available on the digital platform • An annual Northern Powerhouse growth conference

2.6 In addition to the areas set out above, NP11 also discussed opportunities for collaboration on the following areas:

- **Innovation:** An outline of activities to be pursued through the innovation strand of activity has been developed. This would build upon ongoing collaboration between Northern LEP Innovation leads in a well-established network.
- **Place:** A strand of activity to develop Place will also be undertaken by the NP11 promoting the offer of the North to an international audience.

2.7 Following discussion by the NP11, it was agreed that business cases will be developed setting out the rationale for investment, links between project areas and added value of the projects for discussion at future meetings.

2.8 There are a number of Northern Powerhouse and pan-northern organisations, interest groups and networks where some form of engagement and coordination would be beneficial for the NP11. This includes Transport for the North, the Northern Powerhouse Partnership and the Convention of the North.

2.9 Aligning with the various Government departments, sector bodies and strategies associated with the Northern Powerhouse provides an opportunity for the NP11 to be the strong collective voice on Northern issues as well as to lobby and influence Government.

3. Financial Implications

3.1 There are no direct financial implications from this report. It is intended that Cheshire and Warrington LEP will be responsible for allocation of approved

funding. Leeds City Region may be asked to manage funding for delivery of the supply chains project activity.

4. Legal Implications

4.1 There are no direct legal implications from this report.

5. Staffing Implications

5.1 There are no direct staffing implications arising from this report. While officers from all 11 LEPs will provide support as appropriate, administrative, communications and policy support for the Chair will be provided by the LEP, in partnership with the West Yorkshire Combined Authority.

6. External Consultees

6.1 There has been significant engagement across a variety of partners.

7. Recommendations

7.1 That the LEP Board notes the remit of the NP11 and progress made to date, and supports the Leeds City Region Enterprise Partnership's engagement.

8. Background Documents

8.1 There are no background documents.



Report to: Leeds City Region Enterprise Partnership Board (LEP)

Date: 20 September 2018

Subject: **Economic reporting**

Director: Liz Hunter, Interim Director of Policy and Strategy

Author(s): Patrick Bowes

1. Purpose of this report

1.1 To provide an update on the latest economic and business intelligence for the Board.

2. Information

2.1 This report presents recent developments in the global, national and local economies. The report is now produced on a regular, quarterly basis. As such the latest available version will be presented to the Board for each of its meetings. When no new report is available from the previous meeting, a brief update will be provided to the Board covering any recent major developments.

The version presented here is the September 2018 Economic Update.

Main national and international headlines

2.2 The main national and international headlines include:

- The global outlook has become more mixed in recent months, as concerns over trade wars and tariffs pose a risk to recent solid performance for some nations and regions.
- US GDP increased by 1% in Q2 2018, its fastest expansion since 2014. Growth slowed in the EU and China but remained positive.
- UK GDP increased by 0.4% Q2, compared to the previous three months. This is up from growth of 0.2% in Q1.
- UK productivity decreased by 0.4% in Q1 2018. Output per hour is 0.9% higher than a year earlier but this remains below the long term pre-recession trend of 2% growth.
- The UK employment picture remains strong, with 388,000 more people are in work than a year ago. The employment rate has risen to a new record high of 75.7%.

- The unemployment rate has also fallen, to 4.2% down from 4.5% a year ago.
- Average earnings increased by 2.7% in the three months to May, a slight slowdown on the preceding three months, but still outpacing inflation which has remained steady at 2.4%.
- The Bank of England has increased interest rates to 0.75%, their highest level in almost a decade in response to strong labour market conditions and signs of economic improvement.

2.3 **Brexit commentary and assessment**

The Board Economic report now includes dedicated commentary on the extent to which current local and national economic data offers insights on the health of the LCR and wider economy as the UK moves towards its formal exit from the European Union. This commentary will deepen in insight and detail as the UK approaches the March 2019 exit date.

Key insights in the September update show that for:

The UK:

- Growth remains on a par with late 2017 but below longer term growth rates, with business surveys pointing to Brexit as a key factor weighing on business confidence. This appears to be leading to lower or delayed investment, which will have implications for productivity growth and competitiveness. The labour market remains strong however, perhaps as businesses offset capital investment with more readily available labour. This is unlikely to remain feasible forever, with employment at record highs and some surveys suggesting companies are finding it increasingly difficult to find skilled workers.

Leeds City Region:

- As with other regions, businesses in Yorkshire and Humber continue to see cost pressures from sterling's post-Brexit fall, as well as issues such as higher oil prices and wages. Conversely, the weak pound has undoubtedly been beneficial to exporters, though there are indications this growth has levelled off.
- Brexit was cited as a key cause of the fall in business optimism in the Yorkshire & Humber June PMI survey, though concerns over trade wars and tariffs were also raised
- The City Region has seen slightly lower employment growth in the past year than the nation as a whole. Overall however, employment levels remain strong and unemployment below historical averages. Higher growth in other city regions may reflect higher levels of slack in those labour markets.
- Relatively stable commercial property prices may be indicative of wider hesitancy and risk aversion in the economy, as businesses delay investment decisions in the absence of greater clarity. Rents here remain

more affordable than other major cities, which may make the area more attractive in a risk-off environment, particularly to SMEs.

2.4 Core Leeds City Region economic headlines

For Leeds City Region, the key headlines include:

- There was a slight slowdown in private sector growth across the Yorkshire & Humber region in June, according to the Natwest/Markit regional PMI.
- Whilst optimism was higher than most other UK regions, it was still at a 22 month low.
- The value of the region's goods exports was 2.9% higher than the same period last year, broadly in line with the 2.7% growth seen nationally.
- The number of City Region residents in work was largely unchanged from the previous quarter. 5,000 more people are in work than a year ago, an increase of 0.4%.
- The employment rate for Leeds City Region is 73.5%, again broadly unchanged from Q4 2017.
- House prices in Yorkshire & Humber increased by 2.9% in the year to May 2018, up from 2.7% in the year to April. Price growth is similar to the UK, where prices were up 3% in May.

2.5 Conclusions, implications and next steps

UK growth remains on a par with late 2017 but below longer term growth ages, with business surveys pointing to Brexit as a key factor weighing on business confidence. This appears to be leading to lower or delayed investment, which will have implications for productivity growth and competitiveness.

That appears to apply equally to firms in Yorkshire, who despite still being more confident than counterparts elsewhere in the country, have seen confidence levels fall in recent months.

The Bank of England's move to increase interest rates was accompanied by concerns that a "no deal" Brexit would be "highly undesirable". Whilst the Bank also acknowledged this scenario remains unlikely, this followed similar views being expressed by senior business leaders, who suggest they are starting to plan for such a scenario.

In light of a complex and changing economic environment, there is a need for regular and more detailed intelligence on how these and other issues are affecting people and businesses. In light of this, and to support wider policy work such as work on inclusive growth corridors, work is underway to update and expand the organisation's primary survey work:

- The existing Leeds City Region Business Survey, previously undertaken biennially, will now be undertaken annually. This will improve the timeliness

of data and relevance of content, and will inform wider policy work on inclusive growth corridors and the Local Inclusive Industrial Strategy (LIIS). It is anticipated that the next iteration of this survey will take place in autumn 2018, reporting in early 2019.

- A household survey is also being prepared to inform the same areas of work. As with the business survey this will be representative of the Leeds City Region population and will focus on addressing gaps in existing evidence around transport, place satisfaction, life opportunities and housing. It is anticipated that the first household survey will take place in early 2019.
- A relatively brief and high level quarterly survey of business confidence and sentiment will also be re-established.

3. Financial Implications

3.1 There are no financial implications directly arising from this report.

4. Legal Implications

4.1 There are no legal implications directly arising from this report.

5. External Consultees

5.1 No external consultations have been undertaken.

6. Recommendations

6.1 The LEP Board is asked to note the analysis presented in the economic update and dashboard and consider how this relates to the work of the LEP and its strategy, and to note the planned approach to surveys to ensure timely and relevant intelligence.

7. Background Documents

None.

8. Appendices

Appendix 1 – Leeds City Region Economic Update Report – September 2018
Appendix 2 – Leeds City Region Economic Dashboard – September 2018

ECONOMIC AND BREXIT MONITOR: LEEDS CITY REGION, SEPTEMBER 2018

Key points at glance

This report presents the latest assessment of the Leeds City Region economy. It sets out the recent developments in the world's leading economies, along with trends and forecasts for global growth. It analyses the recent economic performance of the UK, before considering in more detail the latest developments in Leeds City Region.

National and international headlines

- The global outlook has become more mixed in recent months, as concerns over trade wars and tariffs pose a risk to recent solid performance for some nations and regions.
- US GDP increased by 1% in Q2 2018, its fastest expansion since 2014. Growth slowed in the EU and China but remained positive.
- UK GDP increased by 0.4% Q2, compared to the previous three months. This is up from growth of 0.2% in Q1.
- UK productivity decreased by 0.4% in Q1 2018. Output per hour is 0.9% higher than a year earlier but this remains below the long term pre-recession trend of 2% growth.
- The UK employment picture remains strong, with 388,000 more people are in work than a year ago. The employment rate has risen to a new record high of 75.7%.
- The unemployment rate has also fallen, to 4.2% down from 4.5% a year ago.
- Average earnings increased by 2.7% in the three months to May, a slight slowdown on the preceding three months, but still outpacing inflation which has remained steady at 2.4%.
- The Bank of England has increased interest rates to 0.75%, their highest level in almost a decade in response to strong labour market conditions and signs of economic improvement.

Key City Region and local developments

- There was a slight slowdown in private sector growth across the Yorkshire & Humber region in June, according to the Natwest/Markit regional PMI.
- Whilst optimism was higher than most other UK regions, it was still at a 22 month low.
- Goods worth a total of £4.34bn were exported from Yorkshire & Humber in Q1 2018, down only slightly from the record £4.39bn seen in Q4 2017. The value of the region's goods exports was 2.9% higher than the same period last year, broadly in line with the 2.7% growth seen nationally.
- The number of City Region residents in work was largely unchanged from the previous quarter according to the ONS Annual Population Survey. 5,000 more people are in work than a year ago, an increase of 0.4%.
- The employment rate for Leeds City Region is 73.5%, again broadly unchanged from Q4 2017.
- House prices in Yorkshire & Humber increased by 2.9% in the year to May 2018, up from 2.7% in the year to April. Price growth is similar to the UK, where prices were up 3% in May.
- Average rents for West Yorkshire office space dipped slightly in Q2 2018, from £14 per square foot to £13.8 according to CoStar. West Yorkshire has seen relatively stable office rents compared to these markets in recent years and prices are therefore more affordable here, albeit higher than in other major city regions.

Brexit implications and conclusions

- As with other regions, businesses in Yorkshire and Humber continue to see cost pressures from sterling's post-Brexit fall, as well as issues such as higher oil prices and wages. Conversely, the weak pound has undoubtedly been beneficial to exporters, though there are indications this growth has levelled off.
- The City Region has seen slightly lower employment growth in the past year than the nation as a whole. Overall however, employment levels remain strong and unemployment below historical averages. Higher growth in other city regions may reflect higher levels of slack in those labour markets.
- Relatively stable commercial property prices may be indicative of wider hesitancy and risk aversion in the economy, as businesses delay investment decisions in the absence of greater clarity. Rents here remain more affordable than other major cities, which may make the area more attractive in a risk-off environment, particularly to SMEs.

These issues are explored in greater detail in the remainder of this document.

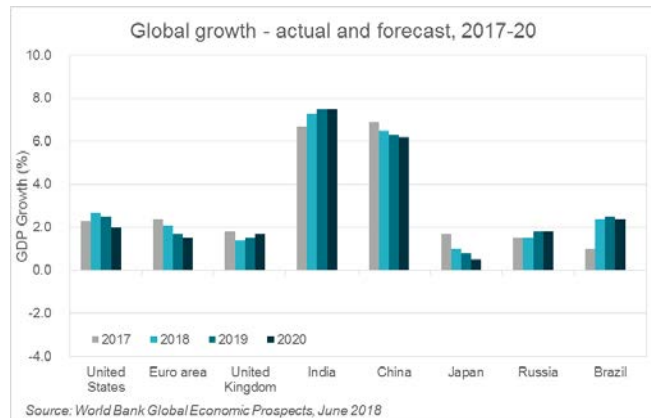
ECONOMIC AND BREXIT MONITOR: LEEDS CITY REGION, SEPTEMBER 2018

Introduction

- This report presents the latest assessment of the Leeds City Region economy. It sets out the recent developments in the world's leading economies, along with trends and forecasts for global growth. It analyses the recent economic performance of the UK, before considering in more detail the latest developments in Leeds City Region.
- New data available includes updated global economic forecasts from the World Bank, whilst new official UK data is available on GDP for Q2 2018 and the labour market up to May 2018. There is also new official data on trade, inflation and consumer spending.
- For Leeds City Region, labour market for Q1 2018 and regional goods exports data from HMRC for the same period are also presented along with data from Banksearch on the number of new business bank accounts for Q2 2018.

Global economic and political developments

- The global outlook has become more mixed in recent months, as concerns over trade wars and tariffs pose a risk to recent solid performance for some nations and regions.
- Growth accelerated in the US, with GDP up by 1% in Q2 2018 compared to growth of 0.6% in the previous quarter. Recent tax changes have driven consumer spending, whilst strong exports also contributed to the fastest growth seen since 2014.
- Eurozone GDP increased by 0.3% in Q2 2018, down slightly from 0.4% in Q1. Concerns over trade wars and weaker confidence among appear to be subduing demand.
- Growth in China also slowed slightly in Q2, though so far the 2nd largest economy remains relatively unaffected by tariffs imposed on exports to the US. Export growth for China accelerated in June, whilst domestic demand also remains strong.
- Oil prices remain around a three year high of \$75 a barrel following the re-imposition of sanctions on Iran.
- The World Bank expects global growth to remain at 2017 levels this year, before tailing off as the recovery in emerging markets levels off. However, the World Bank remain cautious about the risks that trade protectionism and volatility in financial markets pose, particularly to emerging economies.
- The World Bank expect UK growth to slow from 1.8% last year to 1.4% in 2018, before recovering to 1.5% and 1.7% in the subsequent two years.
- The Bank of England have increased the base interest rate to 0.75% - its highest level in almost a decade. The Bank cited an upturn in momentum in the UK economy, as well as the lack of slack in the labour market which it expects to lead to higher wage growth in the coming months, as justification that the economy could withstand an increase.
- The Bank did however note that their assumptions were based on a relatively smooth exit from the European Union. Governor Mark Carney commented that whilst a "no deal" Brexit was relatively unlikely, it would be "highly undesirable" as the supply chain impacts would push up consumer prices.
- That echoes views expressed by leaders at some of the UK's largest companies. Airbus have said a disorderly exit could lead them to halt production, and they have begun to stockpile parts in an attempt to mitigate this risk. The CEO of Rolls Royce has suggested they may do the same towards the end of this year, whilst they are also having conversations with smaller suppliers to understand risks in more detail.
- Jaguar Landrover meanwhile have said a "bad Brexit deal" could cost them £1.2bn a year in profit, and would put plans to invest £80bn over the next five years at risk.



Global economy summary: The global outlook has become more mixed as concerns over trade wars and tariffs pose a risk to recent solid performance for some nations and regions. However, the rise in UK interest rates reflects the nation's strong labour market and recent signs of an economic upturn. The range of voices warning of the challenges that a disorderly EU exit would bring emphasises the risks that remain.

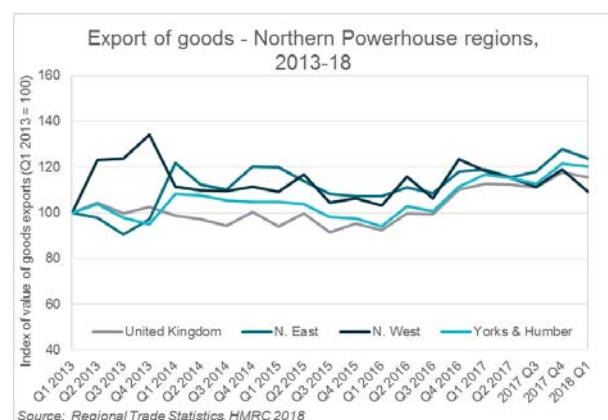
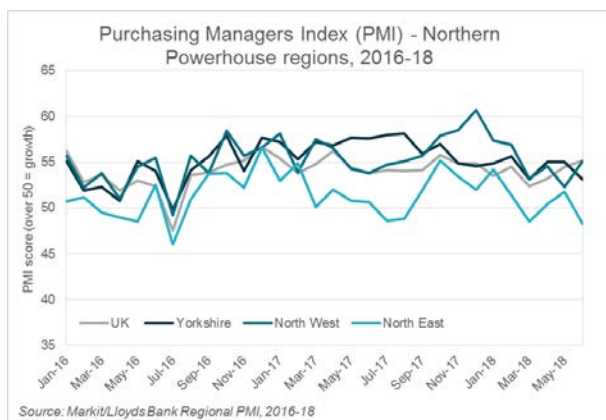
UK economic dashboard

Indicator	Latest position	Chart	Trend
Economic headlines	<p>UK GDP increased by 0.4% Q2, compared to the previous three months. This is up from growth of 0.2% in Q1. Growth was strongest at the start of the quarter, but slowed to 0.1% in June. Construction output increased by 0.9% over the quarter, with services output up 0.5%. This was offset by a 0.8% fall in production.</p> <p>UK productivity decreased by 0.4% in Q1 2018. It is 0.9% higher than a year earlier, below the pre-recession growth rate of 2%.</p>	<p>UK GDP growth, 2008-18</p> <p>Source: Office for National Statistics, 2018</p>	
Confidence and sentiment	<p>Construction output accelerated in July, according to Markit/CIPS, with housebuilding and commercial activity growing at its fastest pace in over two years. Despite solid expansion, sentiment was subdued among construction and manufacturing firms, with both citing Brexit uncertainty.</p> <p>Expansion slowed in the service sector, with respondents noting more risk-aversion and delays in decision making due to Brexit.</p>	<p>Purchasing Managers Index (PMI) by sector, 2016-18</p> <p>Source: Markit/CIPs PMIs, 2016-18</p>	
Labour market	<p>Total employment in the UK increased by 137,000 to 32.4 million in the three months to May 2018, according to ONS. 388,000 more people are in work than a year ago. The employment rate has risen to a new record high of 75.7%.</p> <p>Unemployment fell in the three months to May, down 12,000 to 1.41 million. The unemployment rate of 4.2% is down from 4.5% a year ago.</p>	<p>UK employment growth 2008-18</p> <p>Source: Office for National Statistics, 2018</p>	
Trade and exports	<p>Good weather and the football World Cup helped retail sales to increase by 2.1% in the three months to June, their fastest pace since 2015.</p> <p>The UK's trade deficit increased by £5bn to £8.3bn in the three months to May, thanks to a fall in goods exports and a rise in goods imports.</p>	<p>UK balance of trade - 2007-18</p> <p>Source: UK Trade, CIMS 2018</p>	
Inflation and wages	<p>Inflation held steady at 2.4% in June, unchanged for the third consecutive month. Higher fuel costs were a key driver of inflation, though this was offset by falling clothing prices.</p> <p>Average earnings increased by 2.7% in the three months to May, compared to a year ago, similar to growth of 2.8% in the preceding three months. Pay increased by 0.2% in real terms over this period. Adjusted for inflation however, total pay is £33 per week lower than in 2008.</p>	<p>Wage growth and inflation, 2008-18</p> <p>Source: Office for National Statistics, 2018</p>	

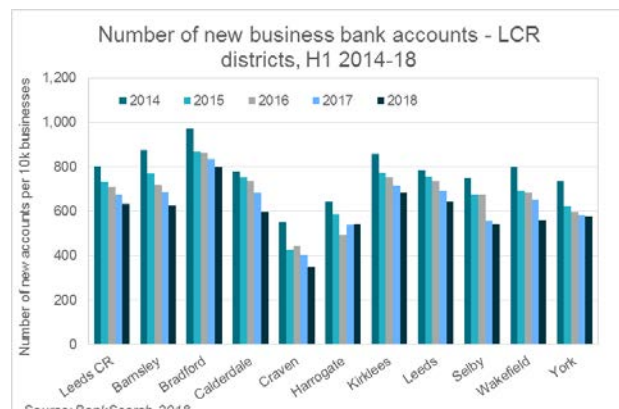
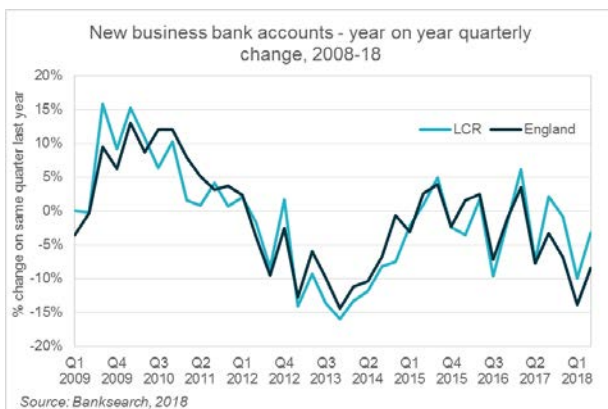
Brexit implications: UK growth remains on a par with late 2017 but below longer term growth rates, with business surveys pointing to Brexit as a key factor weighing on business confidence. This appears to be leading to lower or delayed investment, which will have implications for productivity growth and competitiveness. The labour market remains strong however, perhaps as businesses offset capital investment with more readily available labour. This is unlikely to remain feasible forever, with employment at record highs and some surveys suggesting companies are finding it increasingly difficult to find skilled workers.

Leeds City Region – Business Performance and Trade

- There was a slight slowdown in private sector growth across the Yorkshire & Humber region in June, according to the Natwest/Markit regional PMI. The headline measure of business activity dipped to 53.1 in June, down from 55 in May and below the UK level of 55.2 (a reading of over 50 indicates growth).
- A combination of factors have led to increasing price pressures for Yorkshire businesses according to Markit, including raw material costs, wage growth and the weakness of sterling. Whilst optimism was higher than most other UK regions, it was still at a 22 month low.
- Goods worth a total of £4.34bn were exported from Yorkshire & Humber in Q1 2018, down only slightly from the record £4.39bn seen in Q4 2017. The value of the region's goods exports was 2.9% higher than the same period last year, broadly in line with the 2.7% growth seen nationally. Among other northern regions, the North East saw a 4% increase compared to last year, though the value of goods exports from the North West declined by 7.8%.
- The European Union accounted for 61.6% of goods exports from Yorkshire & Humber in Q1 2018, higher than the 58% averaged across 2017. North America and Asia/Oceania accounted for 11% each.



- Just over 4,000 new business bank accounts were opened in Leeds City Region in Q1 2018 according to BankSearch, an almost identical number to Q1. The number of new accounts opened is 3.1% lower than Q2 2017, a smaller fall than the 8.4% fall seen nationally ranking Leeds City Region 11th out of 38 LEPs so far in 2018.
- Bradford has seen the highest number of new business bank accounts per 10,000 existing businesses so far this year, with 798 new accounts per 10,000. Kirklees has the 2nd highest rate at 681 businesses.
- Harrogate remains the only district of Leeds City Region to have seen an increase in the rate of new business bank accounts so far this year, with the number of new openings up 0.4%.

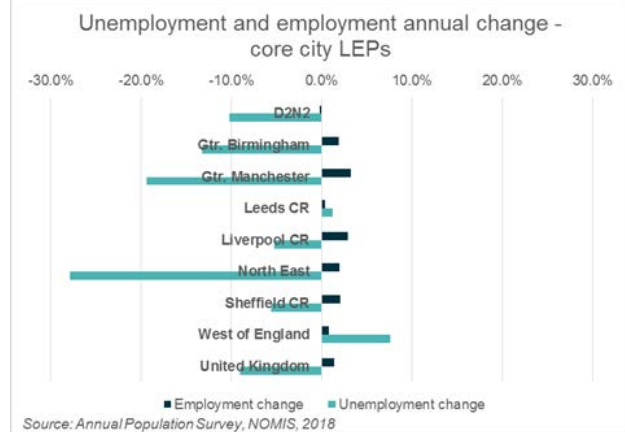
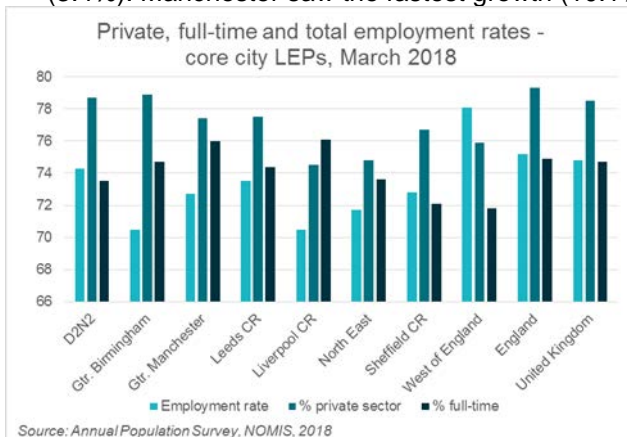


Brexit implications: As with other regions, businesses in Yorkshire and Humber continue to see cost pressures from sterling's post-Brexit fall, as well as issues such as higher oil prices and wages. Conversely, the weak pound has undoubtedly been beneficial to exporters, though there are indications this growth has levelled off. Brexit was cited as a key cause of the fall in business optimism in the Yorkshire & Humber June PMI survey, though concerns over trade wars and tariffs were also raised. New business formation appears to be slightly below 2017 levels, perhaps indicative of lower confidence and sentiment.

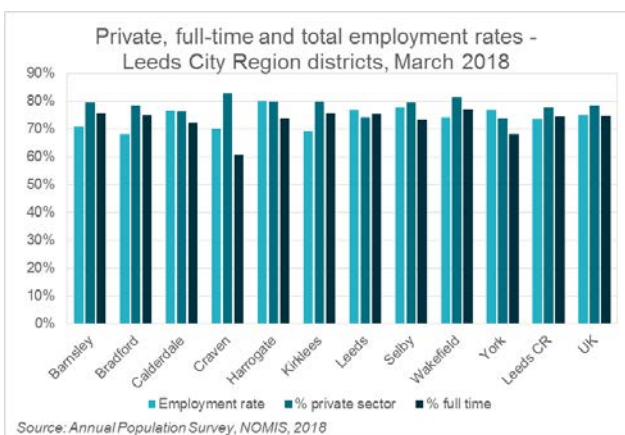
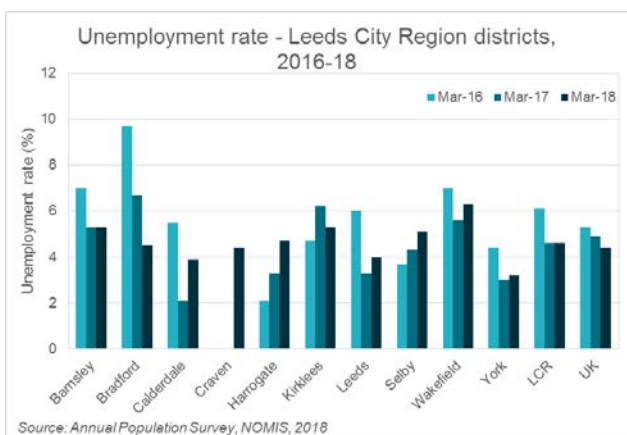


Leeds City Region – Labour Market

- There were 1.41 million Leeds City Region residents in work in Q1 2018, largely unchanged from the previous quarter according to the ONS Annual Population Survey. 5,000 more people are in work than a year ago, an increase of 0.4%.
- Employment increased at a slower rate than most core city LEPs, though D2N2 saw employment decline by 0.2% over the past year. Greater Manchester (+3.2%) and Liverpool City Region (+2.9%) saw the fastest increases. Employment growth in most core city districts outpaced that of the respective LEP.
- Employment in Leeds increased by 3.8% over the past year, slightly above the average for all core cities (3.4%). Manchester saw the fastest growth (10.1%), followed by Newcastle (4.7%) and Liverpool (3.9%).



- The employment rate for Leeds City Region is 73.5%, broadly unchanged from Q4 2017. Whilst most core city LEPs have seen their employment rates increase of late, the rate in Leeds City Region remains third highest among core city LEPs and higher than other northern core cities.
- The proportion of Leeds City Region residents working full-time fell slightly over the past quarter, from 75% to 74.4%. The proportion of workers employed in the private sector remained at around 77.5%. The City Region performs relatively well against northern core city LEPs on private sector employment, though it has relatively lower levels of full-time workers compared to Greater Manchester and Liverpool City Region.
- There is a mixed picture at district level at the start of 2018. York (+3.2%) and Leeds (+1%) have both seen employment increase between Q4 2017 and Q1 2018. Kirklees (-1.6%) and Craven (-3.4%) have seen employment fall, though data can fluctuate for smaller geographies. Other districts have been largely flat.
- The employment rate in York increased by over 2% to 76.9%, taking it above the national average of 74.8%. Leeds (76.8%) and Calderdale (76.6%) also saw the rate increase. It also remains above the national average in Harrogate (80%) and Selby (77.7%).



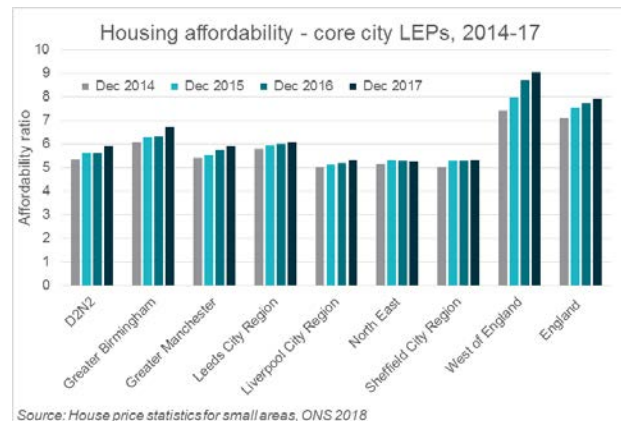
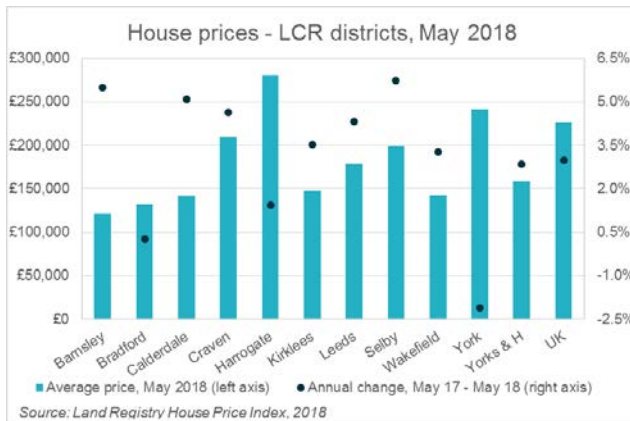
- Unemployment increased in Calderdale, Kirklees and York in Q1, but this was more than offset by falling unemployment in Bradford and Leeds. Total unemployment in the City Region fell by 1,800 to 68,300 – a fall of 2.8%. All core city LEPs saw unemployment fall over this period, most to a similar extent to LCR.
- The City Region unemployment rate of 4.6% is close to the UK average of 4.4%, and below core city LEPs except West of England (3.9%) and D2N2 (3.8%). York (3.2%), Calderdale (3.9%) and Leeds (4%) all have unemployment rates below the UK average.

Brexit implications: The City Region has seen slightly lower employment growth in the past year than the nation as a whole. Overall however, employment levels remain strong and unemployment below historical averages. Higher growth in other city regions may reflect higher levels of slack in those labour markets.

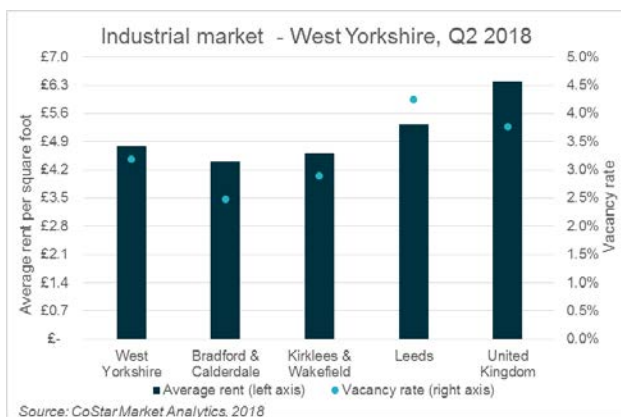


Leeds City Region – Housing, Property and Infrastructure

- House prices in Yorkshire & Humber increased by 2.9% in the year to May 2018, up from 2.7% in the year to April. Price growth is similar to the UK, where prices were up 3% in May.
- Price growth was slightly stronger in West Yorkshire, where average prices were up 3.2%. Increases in Calderdale (5.1%) and Leeds (4.3%) contributed to this. Across the wider City Region, Selby (+5.7%) saw the fastest growth, though prices declined by 2.1% in York.
- Most districts of the City Region have average house prices below the UK average of £226,000, though prices in Harrogate (£280,000) and Yorkshire (£241,000) exceed this. Prices are lowest in Barnsley (£122,000) and Bradford (£132,000).



- Home ownership in Leeds City Region remains relatively more affordable than across England as a whole. The average house across England costs 7.9 times average earnings at the end of 2017, up from 7.7 a year earlier and 7.1 in 2017. The ratio has remained more stable in Leeds City Region, increasing from 5.8 in 2014 to 6.1 in 2017.
- The affordability ratio in Leeds City Region is similar to Greater Manchester and D2N2 (both 5.9) and lower than Greater Birmingham (6.7) and West of England (9). The Sheffield and Liverpool City Region both have lower affordability ratios, as does North East LEP area.



- Average rents for West Yorkshire office space dipped slightly in Q2 2018, from £14 per square foot to £13.8 according to CoStar. Rents were flat in Birmingham over this period, whilst Manchester saw an increase of 0.7%. West Yorkshire has seen relatively stable office rents compared to these markets in recent years and prices are therefore more affordable here, albeit higher than in other major city regions.
- The picture is similar when looking at city centre rents, with prices in Leeds (£21.2/sf) being a little below Birmingham (£22.4) and Manchester (£24.7).
- Elsewhere in the City Region, office rents are much lower than in Leeds at around £10/sf in Bradford, Kirklees and Calderdale and £11/sf in Wakefield.
- There is less variation in rents for industrial space across West Yorkshire, with rents in all areas below the UK average of £6.4/sf. Rents in Leeds are £5.3/sf, compared to around £4.5/sf elsewhere. The vacancy rate in Leeds is also slightly above national average, whilst there is less slack elsewhere in the county.

Brexit implications: Relatively stable commercial property prices may be indicative of wider hesitancy and risk aversion in the economy, as businesses delay investment decisions in the absence of greater clarity. Rents here remain more affordable than other major cities, which may make the area more attractive in a risk-off environment, particularly to SMEs.



Conclusions and outlook

- A range of factors have led to a more mixed outlook for the global economy. The prospects of a trade war have increased with the imposition of tariffs on trade between the US, China and the EU. The former two appear to have been relatively unaffected to date, with domestic demand sustaining strong growth and exports remaining strong. Major EU exporting nations such as Germany also do not appear to have been greatly affected so far, though surveys suggest the issue is weighing on business confidence and the outlook for coming months.
- Other geopolitical factors such as the re-imposition of sanctions on Iran are also serving to push up costs for some businesses. This is particularly an issue for the UK, where businesses are already contending with price pressures from the fall in sterling. These issues appear to be contributing to a less confident outlook for UK businesses, and indeed those in our region.
- Brexit however appears increasingly central to the thinking of many businesses as the March date for the UK to leave the EU approaches with many issues unresolved. There are signs that this is increasing difficulties with finding workers, with the Chartered Institute of Personal Development (CIPD) suggesting that falling EU migration has led to skills shortages. The CIPD's surveys suggest the number of applicants per vacancy fell from 24 to 20 for low skilled vacancies, and from 19 to 10 for mid-skilled jobs. Around half of respondents had increased starting salaries in response.
- Whilst wage growth remains relatively subdued in real terms, the positive employment picture and expectations of wage growth was partly behind the Bank of England's decision to increase interest rates to their highest level since 2009. Whilst the outlook for the UK economy remains mixed, a rebound in growth in Q2 gave the Bank the confidence to raise rates whilst also acknowledging that the future path remains uncertain.
- Brexit is the key source of that uncertainty, with surveys suggesting that it is having an impact on investment as companies delay decisions until they have greater clarity.
- That appears to apply equally to firms in Yorkshire, who despite still being more confident than counterparts elsewhere in the country, have seen confidence levels fall in recent months. Despite this, survey data continues to reflect a largely positive view of activity across Yorkshire with businesses more optimistic than in all regions except the East Midlands in June.
- This is not borne out some official data which shows that employment growth in the City Region remains relatively subdued compared to some other city regions. Indeed, this suggests a wider issue across Yorkshire and Humber, where employment growth of 0.2% was below the 0.6% seen nationally.
- It is however notable that major cities appear to be the drivers of jobs growth of late, both locally with York and Leeds seeing the fastest growth so far this year, and nationally with other core cities leading jobs growth in their respective City Regions.
- Slightly lower employment growth here also perhaps reflects the fact that the employment rate in the Leeds City Region is already higher than most other core city regions, so there is less slack in the local labour market and more scope for faster employment growth in other City Regions. If that is the case, it re-emphasises the importance of accelerating productivity growth to drive future expansion and prosperity. The challenge in achieving this is emphasised by the fact that UK productivity continues to show little improvement, despite the apparent lack of slack in the labour market.
- It may also be that other indicators are more prevalent in business' minds at present, with export performance still strong even if there are signs that recent growth levels may have levelled off. Whilst it is clear that Brexit poses a number of challenges that appear to be of increasing concern to businesses, it is equally clear that exporters have taken advantage of beneficial trading conditions. This may remain the case for the months ahead, with the pound likely to remain subdued until the UK's future relationship with the EU becomes clearer.

This briefing has been produced by the West Yorkshire Combined Authority Research & Intelligence team. Any comments or queries can be addressed to research@westyorks-ca.gov.uk.

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National and international				Leeds City Region			
Indicator	Latest position	Chart	Trend	Indicator	Latest position	Chart	Trend
Economic headlines	<p>UK GDP increased by 0.4% Q2, compared to the previous three months. This is up from growth of 0.2% in Q1. Growth was strongest at the start of the quarter, but slowed to 0.1% in June. Construction output increased by 0.9% over the quarter, with services output up 0.5%. This was offset by a 0.8% fall in production.</p> <p>UK productivity decreased by 0.4% in Q1 2018. It is 0.9% higher than a year earlier, below the pre-recession growth rate of 2%.</p>			Economic headlines	<p>There was a slight slowdown in private sector growth across the Yorkshire & Humber region in June, according to the Natwest/Markit regional PMI. The headline measure of business activity dipped to 53.1 in June, down from 55 in May and below the UK level of 55.2 (a reading of over 50 indicates growth).</p> <p>A combination of factors have led to increasing price pressures for Yorkshire businesses including raw material costs, wage growth and the weakness of sterling.</p>		
Business performance & confidence	<p>Construction output accelerated in July, according to Markit/CIPS, with housebuilding and commercial activity growing at its fastest pace in over two years. Despite solid expansion, sentiment was subdued among construction and manufacturing firms, with both citing Brexit uncertainty.</p> <p>Expansion slowed in the service sector, with respondents noting more risk-aversion and delays in decision making due to Brexit.</p>			Business performance & confidence	<p>Whilst optimism was higher than most other UK regions, it was still at a 22 month low, according to the Natwest/Markit PMI.</p> <p>Just over 4,000 new business bank accounts were opened in Leeds City Region in Q1 2018 according to BankSearch, an almost identical number to Q1. The number of new accounts opened is 3.1% lower than Q2 2017, a smaller fall than the 8.4% fall seen nationally.</p>		
Trade and exports	<p>Good weather and the football World Cup helped retail sales to increase by 2.1% in the three months to June, their fastest pace since 2015.</p> <p>The UK's trade deficit increased by £5bn to £8.3bn in the three months to May, thanks to a fall in goods exports and a rise in goods imports.</p>			Trade and exports	<p>Goods worth a total of £4.34bn were exported from Yorkshire & Humber in Q1 2018, down only slightly from the record £4.39bn seen in Q4 2017. The value of the region's goods exports was 2.9% higher than the same period last year, broadly in line with the 2.7% growth seen nationally.</p> <p>The EU accounted for 61.6% of goods exports from the region in Q1 2018, higher than the 58% averaged across 2017. North America and Asia/Oceania accounted for 11% each.</p>		
Labour market	<p>Total employment in the UK increased by 137,000 to 32.4 million in the three months to May 2018, according to ONS. The employment rate has risen to a new record high of 75.7%.</p> <p>Unemployment also fell in the three months to May. The unemployment rate of 4.2% is down from 4.5% a year ago.</p> <p>Inflation held steady at 2.4% in June whilst average earnings increased by 2.7% in the three months to May. Pay increased by 0.2% in real terms over this period.</p>			Labour market	<p>There were 1.41 million Leeds City Region residents in work in Q1 2018, largely unchanged from the previous quarter according to ONS. 5,000 more people are in work than a year ago, an increase of 0.4%. The employment rate for Leeds City Region is 73.5%.</p> <p>Total unemployment in the City Region fell by 1,800 to 68,300 – a fall of 2.8%. The City Region unemployment rate of 4.6% is close to the UK average of 4.4%.</p>		
Forecasts/prospects	<p>The World Bank expects global growth to remain at 2017 levels this year, before tailing off in subsequent years. However, they remain cautious about the risks that trade protectionism and volatility in financial markets pose, particularly to emerging economies.</p> <p>The World Bank expect UK growth to slow from 1.8% last year to 1.4% in 2018, before recovering to 1.5% and 1.7% in the subsequent two years.</p>			Housing and property	<p>Price growth was slightly stronger in West Yorkshire, where average prices were up 3.2%. Across the wider City Region, Selby (+5.7%) saw the fastest growth, though prices declined by 2.1% in York.</p> <p>Average rents for West Yorkshire office space dipped slightly in Q2 2018, from £14 per square foot to £13.8 according to CoStar. Industrial rents in Leeds are £5.3/sf, compared to around £4.5/sf elsewhere in West Yorkshire.</p>		
Summary	<p>A range of factors have led to a more mixed outlook for the global economy. The prospects of a trade war have increased with the imposition of tariffs on trade between the US, China and the EU. These issues also appear to be contributing to a less confident outlook for UK businesses, and indeed those in our region. Brexit however appears increasingly central to the thinking of many businesses as the March date for the UK to leave the EU approaches with many issues unresolved, with the uncertainty having an impact on investment and confidence.</p>						

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Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 20 September 2018

Subject: **Strategic Partnership with Digital Catapult**

Director: Liz Hunter, Interim Director of Policy and Strategy

Author(s): Sarah Bowes

1. Purpose of this report

- 1.1 To provide LEP Board with the opportunity to enter into a strategic partnership with Digital Catapult.

2. Information

- 2.1 The Catapult Network was established by Innovate UK as a key way to support UK innovation in businesses. They are a series of physical centres (10 across the UK) where the best of the UK's businesses, scientists and engineers work side by side on late stage research and development, transforming potential ideas into new products and services to generate economic growth. Each centre has a particular focus (Energy systems, Cell and Gene Therapy, Digital etc.), and their geographic location highlights that areas particular strengths.
- 2.2. The Digital Catapult is based in Kings Cross (DC Central), however as part of an ambition to extend their reach across the UK a competitive call was issued in July 2014, for localities to bid to develop regional nodes (hubs) to work alongside the London Centres in developing projects.
- 2.3. Building on the then recent success of securing the DHEZ from the Government's University Enterprise Zones competition, a Yorkshire consortium came forward and was successful in applying to become one of 4 nodes across the country (DigiCat Yorks). The consortium was led by the University of Bradford (aligned with the DHEZ) with the universities of Huddersfield, Leeds and York, and both the York, North York and East Riding LEP and the Leeds City Region LEP taking a place on the Partnership Board. The focus of the hub was around Digital Health and Digital Manufacturing and was based at DHEZ Bradford until March 2018.
- 2.4 Given the natural end of the current contact in March this year, there is an opportunity to rethink the relationship that the LEP has with DC Central. For

example, Manchester recently signed a Strategic Partnership with DC which is a more equitable partnership arrangement based upon the principle of working together where it makes sense to do and is mutually beneficial.

- 2.5 This is a timely opportunity particularly in light of the emerging Digital Framework where we are setting out, for the first time, our ambitions and plans for growing the digital economy and taking control of the direction of travel.
- 2.6 The MOU will be a high level signal of intent to work collaboratively between DC and partners across LCR. Once agreed, a detailed action plan will sit behind this, setting out detailed opportunities and activities.
- 2.7 The Strategic Partnership will have two overarching objectives: to drive impact within the region through a coherent programme, connecting local and national assets and; to ensure opportunities available nationally are accessed and utilised by local ecosystems. Potential areas to focus on include:
 - Things Connected: an initiative to support UK businesses using alternative network technologies. It is a free-to-use network for the experimenting and prototyping of new Internet of Things (IoT) products and services that can benefit from the unique features of a LoRaWAN network (allowing low-powered devices to communicate with Internet-connected applications over long range wireless connections)
 - Connected Manufacturing: accelerating the number of trailblazer companies working with advanced digital technologies in UK manufacturing.

3. Financial Implications

- 3.1 There are no financial implications in signing a MoU with DC, however there may be project specific opportunities for the organisation and its partners at a later stage.

4. Legal Implications

- 4.1 There are no legal implications in signing this MoU.

5. Staffing Implications

- 5.1 There are no staffing implications in signing this MoU

6. External Consultees

- 6.1 The MoU has been discussed with the original Partnership Board involved in DHEZ. Partners are content that the existing arrangement cease and a new more strategic relationship develop.

7. Recommendations

- 7.1 That the LEP Board supports the principle of a joint MoU with DC and delegates the sign off to the LEP Chair.

8. Background Documents

- 8.1 None.

9. Appendices

- 9.1 None.

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